

Maclean's

Canada's Weekly Newsmagazine

February 26, 2001 www.macleans.ca \$4.50

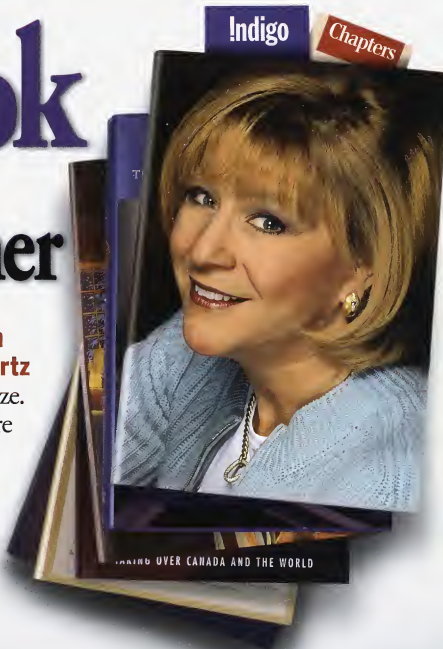
SPECIAL REPORT



INSIDE IRAQ with
Chantal Kreviazuk
and Samantha Nutt

The Book On Heather

**Heather Reisman
and Gerry Schwartz**
have won the prize.
Now, the pressure
is on her alone
to make the
business work



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Managing Editor



A stand against capital punishment

Every now and again something happens in Ottawa that makes a person appreciate that principle can still rise to the top in that swamp of cynicism, expediency and opportunism. A case in point: last week's hanging of a 10th conviction of capital punishment by the Supreme Court of Canada.

The background is simple. No one has been executed in Canada since 1962. Following two five-year suspensions,

year-olds, Glen Sebastian Burns and Arif Ahmed Rafiq, were accused of three 1994 murders in Washington state and were apprehended in British Columbia, where they live. The Liberal justice minister of the day, Allan Rock, authorized extradition, without assurances of non-execution. When the appeals reached McLachlin's Supreme Court, they raised all the same charter issues as the Kindler and Ng appeals 10 years earlier. In a painstakingly argued, 25,000-word decision last week, the court declared that Burns and Rafiq cannot be extradited without those assurances. The court simply changed its mind—for several reasons. The justices' deepening abhorrence of capital punishment for our rights' sake; the reluctance to interfere in ministerial decisions. They are appalled, even frightened, by the number of people who have been wrongly convicted of murder over the past decade or so. And, I think, reading between the lines, that they

have grave reservations about the ability of the U.S. justice system, in particular, to sift the innocent from the guilty. The Burns-Rafiq decision goes far beyond the question of extradition. It will make it just about impossible for any future government to reintroduce the death penalty. It may be the court's most significant decision since its 1988 *Morgentaler* ruling that struck down Canada's law against abortion.

Jeffrey Hume

jeffh@shawcastles.ca or in comment on From the Managing Editor



McLachlin: change of heart

Newsroom Notes

Giving birth

In business columnist Denise McMurphy, having a baby is no cause for a major work disruption. She will stay home "maybe a few days," she says of the moment, now unnamed, when her second child comes into the world. Then it's back to a hectic schedule that includes two daily national television broadcasts. McMurphy has been known

as a hard worker since the first joined *Maclean's* as a senior writer in 1991. She went on to become business editor, and continued her column when she left the staff in 1995 to join CTV's *Canada AM* show. In 1999, she moved to the Prime channel, part of the Global empire, to host *Prime Business* with Denise McMurphy. Recently, she added a daily business spot on Global's national newscast. This week, she is giving birth to yet



McMurphy: a new business column

another venture: a monthly column on investing (page 50), which she hopes will give readers "some education and insight on personal finance." That will complement her regular, biweekly column, renamed *The Street*, which focuses on the markets and the players in them. As for that baby, McMurphy and her husband, Michael Edgar at Large Anthony Wilson-Smith, intend to name him Patrick Richard.



BOSS
HUGO BOSS

The Mail

Alberta boom times

Great articles on Alberta ("Alberta board," Cover, Feb. 12). As a life-long Albertan, I felt all of your articles summed up my feelings of where we've been and hopefully are going. I've never disagreed with us paying our fair share in transfer payments. When I have been in with the so-called have provinces that don't feel that they're getting a fair share in Canada.

Gary Tselis, Lethbridge, Alta.

So you do a nice article on the prosperity of Alberta, but you can't resist giving a great deal of ink to the plight of some people on fixed incomes and how the increase in the price of natural gas (as if it hasn't gone up all over North America) is causing some problems. Sure there are difficulties, but if Albertans are enjoying unprecedented prosperity it is thanks to Premier Ralph Klein who got the government's fiscal house in order. Maybe you will become better informed when we eliminate personal income taxes in this province in a couple of years.

Brent Howlett, Red Deer, Alta.

I was born in Winnipeg, but in Vancouver and have relatives and friends all over the West. I have also lived in three of four western provinces and both oceans. I don't feel alienated in the least.

I think we get our due and then some in the West. These Alliance members floundering with western alienation and separatism are just squabbling which hoping to get some grout—at the expense of a great country.

Scott Whyte, Vancouver



In 1998, I finished an M.A. in history at Queen's University in Kingston, Ont., and moved with my wife to Calgary. In April, 2000, we left. In the 20 months we were there, I applied for more than 500 jobs, had two interviews, worked one month in a warehouse and 10 months

in data entry. Not quite a boom town for me. After being laughed out of one placement agency and being turned down for manual labour because I was "too smart and bound to leave for a better job open north," we left for Toronto. It took fewer than two dozen applications before I was hired as an Internet start-up. I'll never go back to Alberta. Bill H. Ralph Klein, Stockwell Day and Alberta indeed contributed to my dad's.

Robert Proulx, Mississauga, Ont.

The Alberta boom has left some of us citizens threatened by the prospect of freezing in the dark. The advance government in Canada, if not North America, provides a monthly \$4.92 per day to cover the cost of food

'Value for money'

You devoted three pages to Chrysler's problems, yet never seriously discussed the quality of its engineering ("Chrysler's crisis," Business, Feb. 12). Canada's best-selling car is the Honda Civic in the United States, it's the Toyota Camry. What does that tell you about North American engineering? The Big Three are not losing market share to imports in both Canada and the United States just because of poor marketing or design (and they're not going to regain those lost sales because of the shape of the new Dodge truck). For most of us, buying a car is about value for money: current sales figures suggest we don't think much of the value offered in many North American vehicles.

Geoff Stevenson, Greenwood Bay, B.C.

and clothing for his 10-year-old child. The federal government adds \$1.30 per day in spite of a \$7.5-billion surplus; the \$4.92 per day will be automated to guarantee the government's policy that welfare recipients will always be worse off than low-income working families.

John Kallens, President, Alberta College of Social Workers, Calgary

The Alberta government owes to \$3-billion oil and gas revenue to a federal order-in-council of 1987, which decided that homeowners would get little out to the surface of their land. Valuable underground coal deposits had recently been uncovered and the authorities felt that the benefit of such gifts of nature belonged to the country as a whole. The terms of Confederation allotted natural resources to provincial governments. Ironically, the 1887 order

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Edited by Anthony Wilson-South
with Shonda Drexel

Take *this* to the bank

Winners: N. Alcorn, *Int. Book Soc.*; *five laurel CP*; *youngst*
Coplex; *1000-10-10-10-10*; *Alberta*; *Kline*; *freel*; *so*; *find*.

- ★ **Ralph Klein:** Canada's most successful politician calls election, appears in *Klein-ed* to win yet again
- ★ **David O'Brien:** What now for an accused? *Sony CP CEO* pleases shareholders—by breaking up the company!
- ★ **Beck CEO:** Face a new push to reform—and maybe reduce—the manner in which they're paid. But who would be left to get read at there?
- ★ **Chaplin:** Now playing at many of these properties, *The Last Pioneer Shows Up* next: *The Gerry Schmeiser Story*
- ★ **Joe Chiavardi:** Flip-flop on human rights issue in *Chap* by first suggesting he'll say nothing, then making a stand. But better that than the reverse.
- ★ **The Federal Lib:** Vote against their own promise to create an ethics watchdog who would report to Parliament. After all, who allows companies if you don't control the money?

A new Day?

With his approval rating plunging, Stockwell Day named a new communications director last week to help restore his battered image—ultraconservative gadfly Ezra Levant. The new Alliance message-shaper likes what he has to work with: "They is a quick study," Levant told *Maclean's*. "And he's got a huge sense of humor." Day may need it. Most recently an editorial writer for the *National Post*, Levant is better known for an

ing political breakfast than snuffing them out. In a 1996 book called *Fortiethirty*, he suggested Medicare be replaced by personal medical savings accounts. As a journalist, he defended Taliban Energy when Ottawa axed the Calgary oil company for conspiring. Sudar's civil war. In 1998, while working for Preston Manning, Levson co-wrote an attack on then-Southern Rain Glacier of Alberta—and had to apologize last year after Glacier sued. Just what Dry needs—more controversy around the office.

John Gaddis

Walter's hot polka hand

According to Warner Oatzek, the fountain of youth lies in pop. Canada's "Police King" credits the music with making him feel more like 25 than 65. This year is no exception. Oatzek is up for a Grammy for his latest album, *Let's Dance!* It is his 13th nomination since

"You don't," he laughs. "If I'm not in a good mood, I know maybe 10, in a good mood, maybe 2,000!"

Aside from politics, Ostrowski has built a collection of 200 accordions over the past 35 years. This fall, he hopes to display them, along with other memorabilia, in a man-

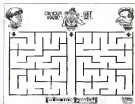


Channel off to the Grosvenor estate

parties in the northern Quebec town of Duparquet. He received his first species box from his parents at age 9, following six years of wishing and waiting. Since the early 1960s, Ozmek has written about 40 poems and made 61 recordings, and is working on another right now. How does one person keep track of all these poems?

mann opening at the Music Centre in St. Catharines, where he has lived for most of his life. Osunde describes his life as being nothing less than "a dream come true. 'You know that it's going to be over one day, so you enjoy it.' Wise words from someone so young—a heart

Kriedt-Green



Ralph Klein's easy victory path

Converting panels of impartial judges into Buick enthusiasts for the fourth consecutive year.



COUNTRY BY MUSIC



eternal. The traditions never grow old.

What stood out most about Hong Kong? The Ben Festival on Cheung Chau Island. We found a series of tiny streets lined with people as the children in the lion dance squeezed past them. The colours, the sounds – the celebrations were intense! There were giant towers covered in little white lions to feed the hungry spirits. Everything seemed so centre around the children. They were even floating down the street on hidden poles! One boy was balancing on the end of a little girl's bar. It was pretty impressive! They were so still that at first I thought they were dolls! They could only have been about 3 years old and were all dressed up like little emperors. You can't forget an experience like this.

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Overture



Conformist with his back to the future T-bird

The T-bird prepares to fly again

Last week, Mark Conforti returned to his home town of Toronto with a new toy. The 46-year-old car designer brought his latest creation, the 2002 Ford Thunderbird, to the Toronto Auto Show. Conforti was born in 1955, the same year the Thunderbird was introduced. "It was an absolute classic," says Conforti, who now lives in Michigan. "It was the car that made me want to be a designer."

After attending design school in Pasadena, Calif., Conforti joined Ford of Europe and worked on small cars like the Focus, Sierra and the trendy Focus. Three years ago, he was asked to head the 2002 T-bird design team. "We didn't know who we were targeting," he says. "We tried making it a European sports car, then one that was very modern. Finally,

we looked at the old '55 Thunderbird." For the new model, Conforti kept some of the early model's most memorable features: two seats, round headlights, pop-up windows, swoosh-shaped grille.

Like the original, the new T-bird will not be mass-produced. Only 25,000 will be made in North America, and only 2,000 will be available in Canada – half of which are already spoken for. The car, which comes in yellow, black, red, blue and white, will make its way across the country, appearing at various auto shows – and will be on the streets in September. "The Thunderbird design has been all over the map," says Conforti. "But this one is important; we think it will have longevity."

Shirley Daniel

OVERBITES

"The press wanted me to give instructions to the Chinese. I said: 'We have to put it in perspective, but you know, we are 30 million. They are 1.2 billion. They want me to tell the Chinese what to do, but they don't want me to tell the [Canadian] government what to do.'"

—**Joan Grenville**, in the start of Frank Canada's mission to China, appears to suggest he will not instruct his hosts on human rights issues

"As a friend, I must tell you that Canadians are concerned when they hear reports from China of intolerance

in the light of free expression. Or that people are imprisoned and badly treated for observing their spiritual beliefs. Those reports transgress our most deeply held convictions."

—**the PM**, several days later instructs his hosts on human rights



Benigno Aquino III

"I have a minister of my cabinet who was born in the Philippines, very close to China. He looks a bit like a Chinese."

—**the PM** introduces **Benigno Aquino III**, Minister of Foreign Affairs, to a Shanghai crowd

LOOK WHAT THEY DID TO MY THONG

Ever been confused by the artist in a song? You're not alone. Incorrectly heard lyrics are called "mondegreens." The word originates with journalist **Sylvia Wright**, who wrote a column in the 1930s in which she recounted hearing the Scottish folksong *The Bonny Earl of Moray*. Wright misheard the lyric "Oh, they have slain the Earl o' Moray and laid him on the green" and thought it was "Oh, they have slain the Earl o' Moray and Lady Mowgreen." Some more recent examples:

ABBA

Dancing Queen

Sight words: "Dancing Queen, feel the beat from the tambourine"

Wrong words: "Dancing Queen, eat a bean off the tambourine"



BEATLES

Lucy in the Sky with Diamonds

Right: "The girl with kaleidoscope eyes"

Wrong: "The girl with colitis gets by"

JIMI HENDRIX

Purple Haze

Right: "Scuse me, while I kiss the sky"

Wrong: "Scuse me, while I kiss the guy"

ELTON JOHN

Day Dancer

Right: "Hold me closer, tiny dancer"

Wrong: "Hold me closer, Tony Dancer" (This misheard lyric was quoted by Phoebe on a recent episode of *Friends*)

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Overture

PASSAGES

Purchased: Whyas Gensky and Arizona developer Steve Ellison concluded their \$90-million U.S. acquisition of the NHI's Phoenix Canyon last week after months of trying to acquire financing. Gensky 40, says his first job will be to build a championship-caliber team. "Now, we finally have our arms around this," he said. "I'm really looking forward to it."



Die: Disarmament specialist and crusader William Epstein, 88, was born in Calgary, trained in a lawyer and studied international affairs at the London School of Economics. During the Second World War, he earned a reputation for successfully representing fellow soldiers in court-martial cases. After the war, he was assigned to the commission that eventually became the United Nations. Epstein was the only person to have worked with the organization since its inception in 1945, and was a Jewish adviser to the first Arab-Israeli peace talks. From 1950 until his retirement in 1971, he headed the U.N.'s Disarmament Group. Epstein published several books on disarmament and, after retiring, served as a consultant to the Canadian government. He died of cancer in Manhattan, his home since 1945.

Split: Hip-hop superstar Sean (Puffy) Combs and singer-actress Jennifer Lopez called their two-year relationship off. Lopez, 30, said in the bio-offer *The Working Girl*, and her new album, *J. Lo*, recently held the No. 1 spot on *Billboard*'s album chart. Combs, 31, is on trial for bribery and weapons charges stemming from a 1999 shooting outside a New York City nightclub. Lopez, who was in Toronto last week promoting her album, is on both prosecution and defence witness lists.

Died: Edwin Reusser, a Washington-born chemical engineer, is credited with

creating synthetic rubber. In 1962, he left his job at Goodyear in Akron, Ohio, to start the Polymer Corp., a company co- and specifically to produce synthetic rubber. However, came to Santa, Ore., to build up Canada's only Polymer plant. During the Second World War, the Allied Forces' supply of natural rubber had been cut off by the Japanese occupation of Southeast Asia. Polymers, which also had some plants in the United States, was able to properly supply the army. Reusser stayed with the Santa plant after the war, becoming director of research and eventually CEO. He died at the age of 92.

Die: Television producer David Wilton, 73, was born in Ottawa and educated at Columbia University in New York. He worked in TV and radio in Winnipeg before creating the CBC science program *The Nature of Things* in 1968. He left to become a professor at Yale University, then returned to Canada as executive director of TVOntario, from 1975 to 1985. He ended his career as communications professor at York University. Wilton died after a long battle with myelodysplastic syndrome—a rare blood disorder—while on vacation in Grandfather.

Died: Wilf Spoozer, known as "Mr. Northern Ontario," was a political icon to members of the Ontario Progressive Conservative party. Spoozer, an accountant by training, earned the provincial legislature in 1955, and won five elections before being defeated in 1967. As minister for mines, he fought to eliminate idleness, an occupational hazard for miners. He later became chairman for the Ontario Northern Development Commission. He died at age 92, in a North Bay, Ont., nursing home.

Died: Evelyn Coulson-Cameron, 89, was a member of the legendary Edmonton Grads basketball team, which dominated the sport on the women's side from 1915 until it was disbanded in 1940. Overall, the Grads won 562 of 522 games and a string of Canadian, North American and world titles. Cameron played from 1932 to 1955, when she quit to marry Alfred Cameron. She died in Edmonton.



Anthony Wilson-Smith

The politics of fibbing

For fans of political satire, there will always be a place in literary history for George Orwell and his 1946 classic, *Animal Farm*. The book includes the enduring phrase "All animals are equal, but some animals are more equal than others." Those who read it will also recall the triumphant cry of "four legs good, two legs bad" from one pig as the animals overthrew their human owners and took control of the farm. By the end, the pig becomes like the humans they overthrew: that declaration morphs into—without the leaders acknowledging the change—"four legs good, two legs better."

For people who follow the political process, it's all too easy to look at Ottawa and see what passed for life there imitating Orwell's art. The Libs provide ample evidence: there's their reversal of their early opposition to free trade, and Jean Chrétien's long-shandered vow while still in opposition to "scrap" the GST. And there's the PM's chattering—also while in opposition—of Brian Mulroney for getting cozy with vociferous American presidents—a fact Chrétien has sought to eradicate ever since taking office. But far too real, though, the how example came last week, when the Libs echoed *animal-farm* rhetoric their 1993 promise to create an independent ethics commissioner.

The missing thing in all these cases is not so much what the Libs said in changing their minds, but rather how they did it. After all, free trade has been a terrific success by most means of economic measurement, and even as everyone looks to leave the GST, no one has found a more efficient alternative. There is even a legitimate argument against creating an independent ethics commissioner. As some of the PM's advisers point out, this could limit the prime minister's authority to discipline cabinet ministers, and put it instead in the hands of an unelected official. If any senior Liberal—the PM or someone else—were to stand up and say something like "we goofed in our initial position, we're sorry, and here's why we're changing it," everyone could debate the subject calmly—and then, people would likely sleep, and move on.

But the Libs almost never do that. Instead, they delay, dissemble and deny that they've changed their position, even when the evidence is blindingly obvious. After last week's election—reaffirmed, it's worth repeating, as the Libs' own promise—the party refused to give MPs a five vote on the issue. Instead, the Libs declared it a "vote of confidence"—ensuring any Liberal who voted in favour of a longstanding Liberal promise was actually being a disloyal Liberal, and could be punished accordingly. (Two Libs did so, while four remained.) But when apparent asked Libs to acknowledge

their back flip, most found contrivances ways to avoid doing so. Paul Martin, who co-wrote the 1995 Red Book that contained that promise, differed around his vote against the motion by declaring "It never bothered me to vote with the government"—and thus against his own previous efforts. The Libs were helped because Howard Wilson—the incumbent ethics commissioner who reports directly to the prime minister, and who, by the way, has never found the PM to be wrong in anything—declared that (surprise) he had advised his boss that the coming way of doing things is best. That seems to be what led Alberto Galleani, the minister of public works, to say that "after we formed the government, we got the explanation that it was not the proper way to do it." Alas, so it wasn't the Libs' fault they changed course: someone—apparently Wilson—made them do it. A good thing for Wilson, then, that he isn't elected MP or he would never be allowed that kind of free thinking.

In today's Ottawa, being a loyal Liberal means never acknowledging mistakes—now or at any other time

The most annoying thing about all this is the manner in which the Libs regard truth and fact as disposable commodities, to be reshaped or discarded according to convenience. That's partly why it was such a pleasant surprise recently to hear that Brian Tobin, while at the annual global economic conference in Davos, Switzerland, publicly acknowledged to Brian Mulroney (also in attendance) that "you were right and I was wrong," in Mulroney's support and Tobin's initial opposition to free trade. Forget for a moment that one motive for Tobin's outburst of truth was that, as industry sponsor and leadership hopeful, he desperately wants to gain favour with the business community. His candour remains welcome. By contrast, remember that in 1999, Sergio Marchi, then foreign trade minister, put out a headline celebrating "NAFTA at five years." It made no mention of the Progressive Conservatives, who implemented free trade despite vehement critics who included, in particular, Marchi.

The silly notion underlying institutionalized fibbing and historical revisionism is that politics is a blood sport, in which any admission of error or credit to the opposition demonstrates moral weakness. In fact, no one expects others—especially not politicians—to be perfect. And a well-timed apology goes a long way towards quelling controversy. Look how quickly the fact about the in United States over revelations of John Jackson's longstanding out-of-wedlock affair and illegitimate child after he had a public one up. Most MPs, including Libs, are decent, hardworking people sincerely trying to make the country better—but they have this uncanny, suspicious relationship with the truth. Sadly for them, that's what made them more than the good things they try to do.

Does it matter if the Jews, as a people, continue to exist? That was the sort of question I played with at university over cups of bad coffee. Were the Jews a race, a religion, a culture, a tribe? Whatever we were, we were living a good life in Canada in those heady 1960s. The state of Israel was seen as a heroic little country. Nothing essential about it had changed: in Israel, the good stuff far outweighs the mistakes it has made. But the weights changed and Israel went out of fashion.

The world reaction to Ariel Sharon's election as prime minister has energized the rage against Israel. According to *The Toronto Star*, he is Sharon "the Bulldozer." "Is Ariel Sharon Israel's Malcevsk?" can a headline in the *Los Angeles Times*. "Sharon . . . offering nothing but the mutilated fat in response to Palestinians," wrote Jeffrey Sorenson in *The Globe and Mail*. In name and in

television, the Israeli army are the thugs, while the murderous cohorts of Palestinian leader Yasser Arafat's Fatah are described merely as a "Palestinian militia," which "tends to be more militant than the Palestinian leadership" (*Times*, Sept.

Israelis themselves are exhausted. The country has been in a war that started seconds after the British mandate expired at midnight on May 14, 1948. If the Arabs had accepted the division of the world as proposed in the 1947 UN partition vote, they would have a Palestinian state. It was of 53 years that have been interrupted with armed truce, but it has never ended. It is predicated on one simple fact: the rejection by the Arab world of a Jewish state in the Middle East. You can argue whether or not this is justified—and I have some sympathy for the arguments of the Arabs—but the fact of their non-acceptance is undeniable. Once you face up to this reality, one can see the futility of attempting to judge individual acts. Was it right or wrong for the Israelis to kill an Arab bodyguard and high-ranking security official? Is war. It is futile to try to judge individual acts either from a personal or moral standpoint. The world judges the wrongs versus differently according to the size of the crimes. There was a crime, perhaps wrongly, when every Palestinian act was considered terrorist and similar Israeli acts were never condemned. That lasted until the end of the 1960s. Now, the climate is much different and the Israelis are ordered

Arab rejectionism is more dangerous than ever because it is closer than ever to succeeding. Mervin in Israel is low. Emigration is easier—sometimes New York City feels like Tel Aviv. Computers make it feasible for kibbutz-to-be mobile: you can as easily do your job in Cincinnati as in Ramat Gan and not worry about beoras. The Arabs are angry, the Israelis are few. As they have said, we can overrun you and we will prevail.

Meanwhile, Israel floundered in its treatment of Israeli Arabs, many of whom are Christian. They were given inferior municipal services, and women, they watched the Israeli abolition of their Lebanese Christian allies. Islam is on an upswing throughout the world. At the same time, Jews themselves lack the essential character traits for survival. We can be excellent soldiers or tough commandos. We may even have the odd savior or death squad, but we don't need it. We cannot contemplate extermination and population transfer as the price for the survival of Judaism. It is not in the Jewish temperament.

Exhausting
of war, the
is: would

**matter if
ed to exist
in state?**

Would it really matter if Israel ceased to exist as a Jewish state? For its adherents to say that it deserves to exist. But in the past 50 years since the end of the Second World War, the necessity of a Jewish homeland seems to have progressively diminished. Overmans-Seminar has been all but equated in the world and now, paradoxically, it is only in Israel that Jews are under threat of extermination. Still, our situation has been fundamentally changed. Notwithstanding liberalism and the fact that we can live peacefully virtually anywhere, the same forces that turned Germany into Nazi Germany still exist in the world—and any people such as the Jews who are notches in the wheel of world disappointment are not the cause of their own would-be demise. But the more self-aware you are, the more you will realize that you are not the cause of your own doom. We may live for the next five generations peacefully without Israel. After all, show five generations of Jews lived from the time of the Hapshung Joseph II until the end of the Warsaw Republic without difficulty. But the moment any state where we need both the refuge and the strength that came from our own peoples.

Without Israel, Jews would have to assimilate, convert and disappear, or bear the heavy burden of some new sort of mythos as to our supposed role as perpetrators of the brave victorious war against the Nazis. But the Jewish people, and the Palestinian people, listen get no hearing, Israeli supporters outside the country cannot make the decision to carry on the terrible struggle necessary to maintain Israel. Only Israelis can decide. And all Jews, even the anti-Israel Jewish journalists in the West, may yet bear the brunt of their decision.

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This year, Nevada's is planning a special issue to celebrate immigrants and the contributions they have made to Canadian society and we invite you to contribute. Historian, author, Granton and his colleague Graham Rowles will profile about 20 people who from Confederation on, have been notable participants in Canada's "brain gain". They may be from any walk of life — scientists, politicians, business leaders, artists, poets, politicians, writers, entertainers. It's anticipated that about half will be people who were born elsewhere and came to Canada, where they made their mark. The others will be settlers — Canadians who moved to Canada to make a home to make a significant contribution.

2 We welcome nominations from readers. Please send them by mail to the Managing Editor, Maclean's, 11th Floor, 777 Bay St., Toronto, Ont. M5W 1A7, by fax to (416) 596-5589, or email to healing@maclean.ca by March 15. Please include your name, city or town and phone number.

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The screenshot shows the Maclean's Online website. The header includes the site's name and navigation links. The main content area features a 'What's Hot' section with a list of articles, each with a thumbnail image and a brief description. The articles listed are: 'The 100 Most Powerful Women in Canada', 'The 100 Most Powerful Men in Canada', 'The 100 Most Powerful Families in Canada', 'The 100 Most Powerful Companies in Canada', 'The 100 Most Powerful Countries in Canada', 'The 100 Most Powerful Cities in Canada', 'The 100 Most Powerful Universities in Canada', 'The 100 Most Powerful Religions in Canada', 'The 100 Most Powerful Sports Teams in Canada', and 'The 100 Most Powerful Artists in Canada'. Each article has a 'Read More' link.

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KLEIN GOES FOR THREE

By Brian Bergman in Calgary

On a recent Saturday afternoon, Ralph Klein could be spotted during his 1977 Milkmaid Brawl into a strip mall parking lot in southwest Calgary. Clad in blue jeans, he emerged from the car and headed into the local dry-cleaning shop, a pile of clothes slung over one shoulder. At such moments, it's possible to glimpse what has made the 58-year-old premier one of the most successful Canadian politicians of his generation. Despite more than eight years' years occupying Alberta's highest elected office, the slightly rumpled Klein remains someone many voters can imagine sitting down with over a cold brew of two.

Contrast that with the image of Klein's chief opponent, Liberal Leader Nancy MacBeth. Slim and severely codified, MacBeth, 55, is a former provincial Progressive Conservative cabinet minister who narrowly lost the party's 1992 leadership contest to Klein. She quit politics, only to re-emerge six years later as leader of Alberta's long-bemoaned Liberal party, which MacBeth is quick to distance from as federal counterpart. Few question MacBeth's intelligence—or, for that matter, her political verve in sailing on Klein, whom she blames for steering the Conservative party too far to the right. But she has failed, as yet, to strike a bond with Albertans. In a provincewide poll conducted for the Calgary Herald last fall, 62 per cent of respondents said they had "warm" feelings for Klein; only 21 per cent felt that way about MacBeth.

As much as anything, the personalities of the main party leaders may tell the tale of the March 17 provincial election Klein set in motion last week as he aims for a third victory. By some accounts, he should be in more trouble than appears to be the case. Last spring, public-opinion surveys of Albertans opposed Bill 11, legislation that allowed private citizens the right to do over-charge lawsuits. Klein, plying against his image as a pop-physicist, renounced the bill through a newspaper. More recently, he has come under fire for the skyrocketing electricity prices that accompanied deregulation of the province's power industry as of Jan. 1. Yet despite all that, polls suggest the Tories, who now



MacBeth, feeling to head with the people

hold 64 seats, compared with 15 for the Liberals and two for the NDP, are headed for another strong majority government. "There's an irony here," says University of Calgary political scientist David Tatus. "While people are nervous about Klein's policies in areas like health and education, they don't look that nervous about him. It's almost like, 'When Ralph finds out there's a problem, he'll do something about it,' rather than, 'It's Ralph causing the problem.'" Tatus, in fact, likes Klein as a former U.S. president Ronald Reagan, who managed to turn over conservatively by dint of his sunny persona. "Like Reagan, Klein doesn't embody the government," says Tatus. "He embodies the province. There's a kind of rough-and-ready, shoot-from-the-hip, folksy style about him that people like." Of course, it doesn't hurt to also have bags of money. Armed with a record \$7-billion budget surplus for the current fiscal year, the Alberta Tories are plodding hundreds of millions of dollars in new spending in the weeks leading up to the election call. Among the big-ticket items: a \$390-million warehouse with the province's decision, totaling three among the highest paid in the country, \$250 million to build two medical centres of excellence in Edmonton and Calgary, \$195 million to create a high-speed Internet service to every school, hospital, library and government building in the province; and \$119 million for new school construction and upgrades to existing schools.

Most significant, Klein is looking out \$4.1 billion in energy rebates over the next year to municipal and industrial users to cushion the blow of high electricity and natural gas prices. He also promised to shield Albertans from high energy prices over the longer term, with details to come after the election.

While the rebate schemes might seem like political moves for the Tories, they also provide Alberta-opposition parties with a potentially soft target to fire upon. Most industry analysts say the way the Klein government implemented electricity deregulation directly contributed to the province's current power-



Klein (right) as the campaign cranks in one poll, 62 per cent of respondents said they had "warm" feelings for the premier

supply shortages—and higher prices. The reason: potential investors were not given clear signals of what a deregulated market might look like, and so delayed building new capacity. Seen in this light, the electricity rebates are a short-term fix to a problem of the government's own making, intended to get the Tories safely past the current election campaign.

That was precisely the line MacBeth took as a Calgary news conference last week, during which she unveiled her party's plan for dealing with the deregulation controversy. MacBeth noted that Alberta has gone from having among the lowest electricity prices in Canada to the highest. "On top of that," she said, "this government is running around and begging Albertans with their own money." The Liberal leader described the rebates as an attempt to mask a problem that won't go away. "A Band-Aid won't do," said MacBeth. "The patient needs surgery."

The Liberals propose a two-tier system. Households as well as small and medium-sized businesses would remain in a regulated market. "These Alberta folks ask for deregulation," she said. "They have nothing to gain from this disaster—they are cankles." Large users of electricity—those consuming more than \$1 million a year—would continue to buy electricity on a competitive, wholesale market.

The Liberal plan received mixed reviews. Dan Macnamara, executive director of the Calgary-based Industrial Power Con-

sumers and Contractors Association, says the proposals have some merit—at least in the short run. Macnamara, whose members consume over half of the electricity generated in Alberta, adds that, because the retail end is controlled by a small number of utility providers, a truly competitive market does not exist. "Deregulation without competition doesn't make much sense," he says. But some analysts warn the Liberal proposal might add more uncertainty to a marketplace that needs stability to bring on new power supplies.

Perhaps the biggest challenge facing Klein's critics is making their position on such a complex issue comprehensible in the context of a fast-paced election campaign. For example, a Liberal policy background document given to reporters last week used the following sentence to describe the proposed wholesale market for long electricity users: "The current marginal price Power Pool will be replaced with a six-hour bid-based wholesale trading, with scheduling and option balancing managed by the Alberta Integrated Manager." Contrast that with Klein's party reaction to the Liberal plan: Klein said on Alberta newsmen the evening of MacBeth's announcement: "I'm no Dr. Edson and neither is the leader of the opposition. You don't simply strap your fingers and bring on new electricity."

So it was not so much Albertans' new power supplies were on the way, prices would soon drop and his government would never leave them in the dark. It was the kind of nothingness that has fuelled a remarkable political career—one Albertans appear to have no hurry to renounce. ■

Down in the Dumps



Seen in Michigan: trucks rolling down Highway 401

By John Nicol

I am writing to urge you and the city council of Toronto to reconsider sending this solid waste to Michigan, not because the citizens of Wayne County don't want it, but rather because it is the reasonable thing to do and there are extensive, long-term environmental concerns.

—a Feb. 6 letter from Michigan Gov. John Engler urging Toronto Mayor Mel Lastman to reopen the controversial Adcona Mine deal

It is the plan that, seemingly, refuses to die. Critics thought the death knell had finally sounded last October, when last-minute negotiating disagreements killed a proposal to ship Toronto garbage to an abandoned open-pit mine near the community of Kirkland Lake, 500 km north. Born of controversy and lambasted by environmentalists who claimed the site was unsafe, the Adcona Mine plan faded off the radar screen. The new solution? Toronto's garbage goes—the city produces 4,300 tonnes of waste daily and its landfill

in Keefe Valley will be closed in 2002—lay it out east of Highway 401, in Michigan, which has become a mecca for trash from Canada and surrounding areas. Or so it seemed.

Even as behind-the-scenes maneuvering has continued to get the Adcona Mine proposal back on the table, Michigan environmentalists weighed in. An 800-tonne basketball game in Michigan between the Racine Rapiers and the Detroit Pistons, a few dozen protesters held up placards saying the Rapiers were welcome, but not Toronto's trash—up to 100 truckloads of garbage a day delivered to two landfills near Detroit. "Toronto has always had a very clean image, and Canada was regarded as being a good deal more responsible about handling waste," Michigan environmentalist Rod Hild told Michael. "Now they seem like just another company trying to save a buck—taking the cheapest, least environmentally friendly way out."

Then, in his Feb. 6 letter, Michigan's Gov. Engler veered into the debate, suggesting to Toronto's Mayor Lastman that the city revert to its earlier plan to send its garbage to Keefe

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Michigan protesters, the Raptors are welcome, but not Toronto's trade

land Laker. It would not only help keep jobs in Ontario, and Engler, but shipping the trade-by rail to the Adams Mine would be safer than clogging up highways with another 100 trucks per day—which may prove to be the volume when Kettle Valley closes. It was a position echoed by the mayors of cities, such as London, Kitchener and Cambridge, that line the 401.

And then there is Queen's Park. In December, a disappointed Ontario Premier Mike Harris, himself a longtime proponent of the Adams Mine deal, said he would have preferred Toronto's garbage going north. Behind the scenes, he has been more steadfast—and fiercer in Ontario for letting the deal die. Harris, who is the MPP for North Bay, 250 km south of Kirkland Lake, is a friend of North Bay road contractor and one-time ski racer Gordon McGinty—the real player in Rail/Cycle North, the Adams Mine consortium. He is also friends with at least two of the investors, Peter Mingos and his wife Barbara, who was his personal campaign manager. Now, his Conservative government is reportedly considering taking responsibility for garbage disposal away from Toronto—raising the possibility of Queen's Park itself reopening the Adams Mine deal. And with Harris angry, the mayor may be paying a price: the city worried provincial help also for its current \$305-million budget shortfall, but talks broke off last week, with Lamson saying he would have to freeze wages, sell off some property and raise taxes.

For now, Toronto's garbage will keep going down Highway 401. But if the Adams Mine proposal is indeed dying from the deal, so are the previous questions that made it so controversial. Toxicological studies from the site may poison nearby rivers, which feed into Lake Simcoe, the Ottawa River and ultimately the St. Lawrence River. Toronto, they say, would be better to evaluate its own water and health by diverting waste, rather by co-opting, increased recycling or new technologies. Opponents of the deal also point to Harris's links to the mine players, claiming his support is nothing more than political cynicism. And an economically depressed Kirkland Lake, the mineral debate may once again split the community of 9,900 between those who want development—and these concerned that using the Adams Mine is a dump will cause irreparable damage to the Northern Ontario wilderness.

Norrie Macdonald knows how ugly that kind of polarization can get. In 1992, he built his dream home on the shores of Round Lake, near Kirkland Lake south of the Adams Mine. Macdonald loves the North, from his home, set in an idyllic lakeside perch beneath a stand of poplar, spruce and beech, he sees moose, deer and the old boat. And when the Adams Mine plan was first raised in 1989, Macdonald, now a 58-year-old retiree, began to vocally oppose it.

He had experience to guide him. Macdonald had spent 32 years mining steel, copper and gold in Northern Ontario, and he knew the Adams Mine well. Truncated rock surrounds the



site, water leaking in when the mine was operational was continually pumped out. After the mine closed, the pit filled up. But Macdonald and others say the site leaks—iron has since showed up in neighbouring wells. And last September, Macdonald got a tip that a secret leakage test using blue dye had been conducted at the site in 1998—which coincided with a neighbour's discovery of blue dye in his well water (McGinty denies that any such test was ever done).

Macdonald told others in the anti-mine movement about the tip. Soon after, he says, he became the target of psychological warfare. A repossessed black SUV would harass him. At times, Macdonald would see flashlights waving around his

An abandoned northern mine may yet
be the destination for Toronto's garbage

yard, then hear bangs on the walls. When he answered the phone, he heard either dead air—or a voice threatening him and his family if he didn't stop investigating. Macdonald's wife, Brenda, went for a medical appointment and to visit family in southern Ontario—back home, things got so bad he told her to extend her trip. Incidents broke into their home, sending pictures and threatening drawings. In a implicit threat, they put a photo of the Macdonalds' four grandchildren on top of a box of tissues in the middle of the dining room table. On the box, they scribbled the phrase *murderer*, supposedly secret, at the place where Brenda was secluded.

By Oct. 16, Brenda had returned home—but the situation worsened even more. At dusk that evening, while stepping out to his woodshed a few meters from his house, Macdonald says he saw a movement in the shadows. He was struck above the eye with a small, heavy object, leaving him with a gash in his eyebrow. His assistant, Macdonald recalls, wore a military-style body suit that she covered most of his face. At the time, Macdonald told Macdonald during an interview. "I don't care what they do to me, but leave my family alone. The threat was getting—they're sick."

Shortly after, the garbage deal was dead—and the harassment stopped. "What has really taken the toll on the community is the uncertainty and the constant growing and fighting back

and forth," says Macdonald. It may not be over—Macdonald says he suffered a bout of nightmares this month when news broke that the deal might be severed. "The only way it's going to go away," he says, "is if government keeps its nose out of it."

But politics has been at the heart of the Adams Mine story—and may yet keep it alive. In the early 1990s, when Toronto was searching for a landfill for the 21st century, it found few neighbouring communities willing to sacrifice valuable land for a dump. First McGuinty. He named pricing the Adams Mine—a man-made crater 55 metres deep, with the bottom 100 m below the water table—in an ideal place for Toronto's garbage. With the backing of then-Kirkland Lake Mayor Joe Macinnis, the lobbying began.

Ontario's NDP government set up the Instream Waste Authority so Toronto could find a site closer to home. But McGuinty was lining up other supporters. In the summer of 1991, Mr. Macinnis, Peter Menegac and others met with new Tory leader Harris at a Toronto restaurant. McGuinty characterizes it as a chance meeting. But, coincidentally, two mem-

**Ontario Premier
Mike Harris
has long been a
proponent of the
Adams Mine
proposal**

bers of a law firm in New Liskeard, 75 km south of the Adams Mine, were at the restaurant and say they overheard Harris committing himself "to do whatever needs to be done to make this project happen."

Harris entered such a pledge on a cable TV program just before he was elected premier in 1995. Nine days later, he disbanded the Instream Waste Authority. Harris said the province should not be actively involved in the city's search for a dump. But under his tenure, conditions for approving the Adams Mine are improved. For one thing, the government changed the Environmental Assessment Act, shortening—some critics say gutting—the review process. Then, during the two-week environmental assessment hearing, the three-member panel debated only one issue: whether a computer-generated model of the proposed leachate-treatment system for the mine was viable. In the end, the Adams Mine was approved as a dump without ever having to produce test well results to determine if it leaked. Representing the mine contractors at the hearings was Toronto lawyer and Tory insider Robert Power, who had served as a member of the committee that recommended changes to the environmental assessment process.

Harris used to hasten the process even more. Last summer, he said the province would close the Kerle Valley dump in 2002,



*Macdonald, angry businessman
and then an attack at dusk*

even though Toronto had only a capacity limit, not a time limit, on the dump (according to the city's estimates, it could have used the site until 2006). And when the Adams Mine deal died, the premier's office did not. One lawyer who is close to him told Macdonald Harris was "proud" that the Toronto garbage was going to Michigan, "and particularly at Lassman for putting everyone in this position." Lassman had, in fact, been a strong proponent of the deal. But when the consortium tried to negotiate a higher price in lieu of a contract clause removed by Toronto councillors

because it could have resulted in future liability for the city, the mayor refused to budge.

Meanwhile, Harris's principal secretary, John Weir, worked on ways to revive the deal. Among the possibilities: changing laws on the exporting of garbage, and asking for an environmental assessment of Toronto's Michigan deal. Then came reports that the province was also investigating ways to buy out the Michigan contract and take responsibility for garbage away from Toronto. McGuinty helped to drum up opposition from mayors along Highway 401, who appeared before Toronto council on Feb. 7 to complain about the increased traffic and potential danger along the highway. Harris's office also helped the Michigan governor, a friend of the premier, with his letter to Lassman. A spokesman for Harris said the premier's office responded to requests from English for information, but made no attempt to influence the letter's content.

Last fall, when the ugliness in Kirkland Lake reached a crescendo, protesters temporarily blocked a railway near the Adams Mine and set up a camp next to the tracks. The camp storehouse, nicknamed "Mel's Cafe," drew a diverse group of northerners of all ages together: anglophones, francophones, natives, former miners. In Kirkland Lake itself, the two radio stations, the newspaper, several businessmen and unions supported the mine. Wherever the two factions crossed paths, icy remarks and angry debates ensued.

It may yet happen again. The coalition that fought the mine is gearing up for more action. Chief Carol McBride of the local 100-member First Nations and provinces are prepared to do whatever it takes to kill the proposal once and for all. "We, as aboriginal people, have much more to lose," said McBride. "If the watershed was poisoned, we would lose grounds where we fish, hunt and gather natural medicines." Among those contemplating a move is Macdonald. The lingering fear of the Adams Mine battle has proven too much. "I was born here, and it was always my dream to live here," he says. "But our dream turned into a nightmare." He knows what he wants: a view over water, with poplars, spruce and birch rustling in the wind—with the whiff of garbage and politics a long way away. ■

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A life and death ruling

By Julian Beltrame in Ottawa

The Supreme Court of Canada may have been asked for its verdict on a narrow extradition issue, but its ruling was instead a wide-ranging rebuke of the death penalty. Last week, the court ruled unanimously against extradition to countries that have capital punishment, unless there is assurance that detainees will not be executed if convicted of a crime carrying the death penalty. The court hinged its strongly worded ruling on the case of two young Vancouver men, Glen Sebastian Burns and Anil Ahmad Rafiq, wanted in Washington state for the brutal 1994 murder of Rafiq's mother, father and sister. The court's decision means they can be sent back only if prosecutors agree not to impose the

death penalty. Those opposed to capital punishment were jubilant. "The court is turning away from the death penalty," said Rafiq's lawyer, Clayton Ruby. "That turning away appears to be permanent." The ruling angered death-penalty advocates. Canadian Alliance justice critic

The Supreme Court takes a stand against capital punishment

Vic Kenna blasted the court for usurping the government's discretion to decide when to extradite accused murderers. He warned that Canada could become a safe haven for those seeking to avoid the death penalty in their own countries. "As long

as they make it across the border, they are safe," he said. And following the ruling, Prime Minister Jean Chretien said Canada will not deport Lin Chongping, an alleged Chinese smuggling kingpin, unless Chini gives assurances that he won't face execution. But Justice Minister Anne McLellan downplayed the overall danger, insisting the government would "take whatever measures necessary" to avoid becoming a safe haven. One option is to change the Criminal Code and try those accused elsewhere in Canada. That would serve as a deterrent, she said, because first-degree murderers serve longer sentences, on average, in Canada than in the United States.

In 1994, Rafiq's family were found huddled to death with a baseball bat in their Bellevue, Wn., home. Rafiq and Burns were arrested a year later in Vancouver after admitting to the slayings to an undercover RCMP officer. Those statements are now contested. Then Justice Minister Allan Rock signed an unconditional order for surrender to have both respondents extradited to

Washington without assurances concerning the death penalty. Burns, 25, and Rafiq, 25, held in jail in British Columbia for the past six years, appealed Rock's order.

In its ruling, the court left only limited discretion on extradition with the government. In all but "exceptional cases," the court said, the Constitution requires Canada to obtain assurances that those who are to be extradited will not be executed. "In some, the Rafiq murder qualify as exceptional." The court described the killings as "brutal and shockingly cold-blooded." Burns allegedly said he wore only his underwear to avoid getting blood on his clothes, then took a shower. The officer said the two hoped to cash in on proceeds of the Rafiq family home and life insurance, valued at \$400,000. "If this case doesn't hit the court bar of exceptional, I don't know what would," said Shawn Howard of the Calgary-based pro-death-penalty Canadian Justice Foundation.



Rafiq and Burns in custody in 1995 (below): extradition without the death penalty

At the heart of the judgment is the nature of capital punishment. The court suggests it would rule differently if the cases of Charles Ng and Joseph Kar-

stler—two U.S. citizens facing death-penalty sentences who were extradited from Canada in 1991 without assurances—came before it now. It cited mounting evidence of individuals wrongfully convicted of murder in Canada and the United States. "Fortunately," it noted, "meaningful remedies for wrongful convictions are still possible in this country."

The decision leaves McLellan with little room to maneuver. She has instructed officials to seek assurances the death penalty will not be sought. Marisa Mandon, a Bellevue Police Department spokeswoman, told *Associated Press* the Bellevue prosecutors would agree. If they don't, Burns and Rafiq may go free—but that is unlikely. The United States has routinely granted such assurances when asked. Even so, Ruby said Rafiq was grateful the death penalty no longer hangs overhead. "When told of the ruling, Rafiq 'cried with relief,'" said Ruby. ■



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Day speaks out

Canadian Alliance leader Stockwell Day said "separation of any kind has no part in my heart, my vocabulary or my intentions." His condemnation came in the wake of criticism by federal Interprovincial Affairs Minister Stéphane Duceppe that Day had not responded strongly enough to the establishment in January of the Alberta Independence Party—an event attended by two Alliance MPs. But Day also said the federal Liberals are finding themselves in the West. Last week, some Saskatchewan residents met in Yorkton to promote another separatist party, the Western Independent Nation.

Rest and relaxation

B.C. Children and Families Minister Edward John announced a new option for sentencing temporary absconder by young offenders after reports that a Prince George teenager convicted of second-degree murder in an adult court was allowed out of prison to go shopping and shopping. John assured the public that "at no time was the safety of the community compromised," but he acknowledged mistakes were made.

'Too close and cozy'

Questions continued to mount about Prime Minister Jean Chrétien's dalliance with the home riding of St-Manrice when the Progressive Conservatives released documents showing that his daughter, France, had been a close business associate of Michel Venne, president of Bank of Canada and a longtime Liberal. In 1996 and 1997, Chrétien personally lobbied Venne for a loan for a friend, Venne Duhaime, who owned a local bank. The Conservatives said the various relationships were "all too close and cozy."

Surgery for Rock

Allen Rock, 55, underwent 2½ hours of surgery at Toronto General Hospital to remove a cancerous prostate gland. Doctors said they expect the federal health minister to make a full recovery. Rock has often been touted as a potential Liberal leadership candidate when Jean Chrétien finally retires.

Tragedy strikes in the Rocky Mountains

Unidentified survivors were escorted to hospital after they were dropped off by helicopter in Fernie, B.C. Area Alberta, 24, and her sister, Milla, 24, both of Stokholm, died when an avalanche struck their skiing party in the Rocky Mountains, 200 km southwest of Calgary. Police and ski experts said the 13-member party was inexperienced and ill-equipped for backcountry skiing.



A \$25-billion swindle goes bust

In what they described as one of the biggest fraud busts on Canadian soil, the RCMP seized two men, one of them Canadian, after they tried to pass off phony American Treasury bearer bonds worth \$25 billion (U.S.). The two had attempted to use 250 of the allegedly 67-year-old bonds as collateral for a letter of credit. Bearer bonds are as redeemable as cash, but according to a U.S. Secret Service agent involved in the investigation, such a large amount was bound to raise suspicions.

A champion boxer takes the stand

In Montreal, testimony continued in the sex abuse trial of champion boxer David Hilson, 37, charged with the sexual abuse of two women between 1995 and 1998. The girls, who are now 16 and 17 (the youngest was 12 when the alleged incident began), have said Hilson personally forced them into sex acts. "It was like my body was his body," one of the girls testified earlier in the trial.

Last week, Hilson, the reigning World

Boxing Council super-middleweight champion, took the stand in his own defence. Reacting to earlier testimony that portrayed him as a drinking lifestyle, he acknowledged that he had a drinking problem. But he categorically denied the sexual abuse charges, saying there was a conspiracy against him. "I can't figure out what kind of a plot it is," he said, "but there's something there. It's the nearest, most effort thing someone could do to another person." Among the theories he did advance was that the girls had gotten the impression for their allegations after reading about the Paul Bernardo-Kathie Horne case in another case.

Two young doctors, journeying with a pair of rock stars, write about the deplorable conditions they found in the Middle East

THE IRAQ DIARIES

In January, a team of young Canadians visited Iraq to mark the 10th anniversary of the start of the Gulf War. Among them were newsmen Samercha Natt and Eric Hoskins, doctors who have worked extensively in war zones in Africa and the Middle East, and singers Chevali Krevansuk and her husband, Raine Maida of Our Lady Peace. The four were part of a production crew taping a segment for the documentary war music, which will be shown on the MuchMusic specialty cable channel on April 19. Natt is executive director of War Child Canada, an Ottawa-based not-for-profit organization that inspires youth to support global humanitarian projects, and one of 12 Canadians featured in the 2000 Maclean's Honour Roll. Hoskins is a public-health specialist who received the Governor General's Meritorious Service Cross for his humanitarian work in Iraq. On this latest trip to Iraq, the pair kept field diaries. Some excerpts:



Hoskins, Natt at a primary school north of Baqra. Krevansuk making new friends on route to Baqra (shown right). Hoskins

JAN. 12: Toronto, day before departure

Natt: No time for reflection, rush, rush, rush. We are still awaiting the arrival of one last travel visa from the Iraq Embassy, which is causing a great deal of anxiety.

JAN. 13: En route to the Middle East

Hoskins: This is my 26th trip to Iraq. This time, I know what to expect. Ten years of missions have battered Iraq's economy. Unemployment is 70 per cent. An egg costs a world wage. UNICEF estimates that the effects of sanctions have, over the past 10



years, led to the deaths of as many as 500,000 Iraqi children.

JAN. 14: Amman, Jordan

Natt: Eric is saying to confirm whether there will be a flight into Baghdad. If the flight is cancelled, we'll start to prepare ourselves for the long 12-hour drive through the desert.

Hoskins: Orna, the dark clerk at the Hashem Hotel, learns of our imminent journey. "We sometimes think the world has forgotten about the people of Iraq," he says. "You Canadians are truly blessed with kindness."

JAN. 15: Baghdad

Natt: We are met at Saddam International Airport by our murder from the ministry of foreign affairs and whisked through customs. We are then ushered through to the baggage inspection area. We watch nervously as the camera bags are thoroughly inspected, but they are quickly approved. Our personal effects undergo greater scrutiny. Finally, we are allowed to gather our things. We are directed to the Babylon Hotel, posing by Saddam Hussein's new "Terror Palace," and the newly constructed Wath Party headquarters. The middle unknowns which we are not allowed to film any official portraits of Saddam, his palace or any government buildings.

Hoskins: Our logistics expert, Mike Nabhal, was beside him-

self on the flight. In 10 years of working in Iraq, this was the first time he had been able to fly into Baghdad.

We use the code name the "Big Cheese" for Saddam, so as not to alert our minder—we hope—when wishing to speak about the Iraqi president. The absence of guns in the street is surprising; in Jordan armed soldiers are everywhere.

Dinner tonight is at the historic Al Mawad restaurant on the left bank of the Tigris River. Requester portrait of the Big Cheese is positioned to glare down at our table. I change \$50 (U.S.) and receive a bagful of nearly worthless Iraqi dinars in return. Paying our cheque takes us 10 minutes just to coast through the 400-old banknotes.

JAN. 16: Baghdad

Natt: We have waited all morning for our minder to arrive with our government-approval passes. Without them, most people will be afraid to talk to us.

Hoskins: It is now late afternoon and I have returned from the ministry of foreign affairs where I delivered my requests. The documentary team wants to travel in Kirkuba and Baqra in the south. We need permission to film.

JAN. 17: Baghdad, 10th anniversary of the Gulf War

Natt: Our passes did not arrive this morning. We are told it

in due to bureaucratic delays and general confusion stemming from the large number of journalists in the country.

While we search for a Plan B, Chantal meets an 18-year-old Iraqi woman named Sahra. She would like to be interviewed. She wanted to be a doctor, but her mother died several years ago and now she has to work to support the family. She earns 50 cents a day selling souvenirs to Iranian tourists. She recently became infected with parasites from contaminated water. She owns approximately \$200 for her medical care, for which the payments are up more than half of her monthly wages. This is a familiar story in Iraq.

After all the discussions we'd had about documenting the 10-year anniversary, in the end there were no parades, no display of weaponry and no marching soldiers. There was not even a public address from the Iraqis concerning the "women's aggression."

Huskins: I am getting anxious that we do not yet see our travel permits. Raine and Chantal have to be back in Amman soon, and we are running out of time. Kerkula, today's intended destination, had to be put off.

JAN. 18: Baghdad to Kerkula

Huskins: Our official permits have arrived. Eric and I returned to the Kerkula Pediatric Hospital for the first time in five years. There have been some improvements: plain water is now used instead of diesel fuel to disinfect the floors; there are a few internet-café bags and you can find the occasional authentic wall sitting on a window ledge, all of which read "Keep refrigerated, do not store above five degrees, avoid



Now, Huskins in Basra: a city drowning in sewage while children die.

Sitting on the curb, we talked about what to expect, what questions to ask. I had been to hospitals in Iraq a handful of times. I knew that there was nothing, I could say, or do, to prepare them for the agony they would then inside.

In the two hours that followed, the rest of us rushed around trying to set up the interviews and gather information. But Chantal moved effortlessly from room to room, talking to women and children in her limited Arabic and relating to their fears and frustrations. The first child she met, four-year-old Mohamed, arrived at the hospital more than a month ago with fever. His mother, unable to afford the approximately 10-cent daily fee, took him home after only a few days. Mohamed then had a seizure, lost consciousness and was brought back to hospital. "There was no oxygen in the hospital, so he suffered irreversible brain damage. Dr. Ali pays for his medication and hospital fees.

Raine, in the meantime, was wandering solo around the hospital, visiting children and giving them balloons. Word quickly spread of the "balloon man" and, rooms ahead, the hospital's small patients would anxiously await his arrival, their eyes lighting up, their smiles wide.

The access was no different than the last time Sam and I were here in 1996. A shortage of medicines, no antibiotics, few antibiotics, no feeding tubes, disposable syringes being used over and over again, no aspiracins to cleanse wounds, doctors and nurses performing truly heroic deeds. In Canada, I could have saved these children. Here, I was helpless.

JAN. 19: Basra

Huskins: Today, we drove eight hours south from Baghdad to Basra, the second-largest city in Iraq. We have not been able to film today, largely because of delays at a military checkpoint. While collecting some back-up shots of the desert, we

had accidentally filmed a training area for the mujahideen, Iranian rebel fighters. The soldiers radioed ahead to the checkpoint, where officials inspected our documents and concluded we were not approved to film the mujahideen, neither accidentally nor on purpose. After several hours and many long explanations, we were allowed to proceed.

Huskins: We arrived in Basra by early evening. As we checked into the Basra Sheraton, we find a group of Canadian businessmen in the lobby. From Musand, they are in town to rehabilitate the grain unloading equipment in the port.

JAN. 20: Basra

Huskins: The war seriously damaged all major infrastructure in the south, including electrical, water and sewage systems, and the sanctions have made it difficult to rebuild. Basra is drowning in garbage and raw sewage while children die of dysentery and other diarrheal diseases. Still, we have finally managed to secure an

interview for Chantal with a group of female high-school students. The young women no longer expect the United Nations or anyone else to help them. They believe the sanctions have caused suffering, but now Iraqis must take care of themselves. Full of hostility and resentment, they want everyone outside of Iraq to know that they will continue to resist.

Huskins: Listening to their thoughts made me reflect on much Iraq had changed in the five years since I last was here. Before, Iraqis were merely coping, waiting for sanctions to end. Now, as Chantal spoke with these girls, it became clear to me that Iraqis were no longer "in waiting." Iraqis were going on with their lives.

We moved from downtown Basra to a small rural school just north of the city. The school had been damaged about a year ago, when coalition forces had dropped a bomb on a nearby military target. Few people know that the U.S. and UK still regularly drop bombs on Iraq. [Last week, 24 aircraft bombed five Iraqi long-range surveillance radar sites. U.S. President George W. Bush called it a "routine mission," but it was the first strike against targets outside the southern no-fly zone since December, 1998.] The wounded targets are military instal-

lations, although missiles do occur and, at least according to Iraq, civilians are often injured or even killed. Students in this primary school were injured by glass shattering from the nearby bomb blast.

Our government minister wants to get us back to Baghdad. Our attempt to call, or to visit, touched Iraqis, gave fuel to our mission. Our minister is doing his job well. By now, we challenge him intensely. The lack of freedom has become oppressive and we are showing the results, even arguing among ourselves.

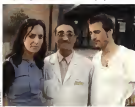
JAN. 21: Baghdad

Huskins: Our last full day in Iraq. A short visit to the Tomb of the Unknown Soldier. A visit to the market to interview people receiving their food rations. We ask Raine and Chantal to record their final thoughts for the documentary. I can see how this trip has manifested them. That's what I remember most. How coming to Iraq eliminates any chance of your life ever going back to what it was before.

I prepare to leave, a luxury granted to very few Iraqi citizens. I think of the future, while the Iraqis we've met remain caught in their nightmare past.

JAN. 22: Iraqi Desert

Huskins: We depart, by road this time. The five-hour journey to the border is painful. Once there, we wait patiently as they check our passports, search our bags. After a few minutes, the



Kerkula, Huskins, and Mulla at the Kerkula Pediatric Hospital, patients unable to afford the 10-cent-a-day fee.

Huskins: I remember being in a Baghdad market just three days after the end of the war. I was one of those westerners, the first allowed into Iraq since all foreigners had been locked out midway through the conflict. As I wandered around with an American journalist and professor, the two of us could hear

loud music. I remember worrying we would be attacked by Iraqi civilians. Instead, we were greeted with a compassion and warmth I don't think I have witnessed since. The explanation given to me by ordinary Iraqi citizens for why they had not wanted to best me to write on such a day of life, "You are a person, you are not a government." Perhaps this is one lesson the Iraqi people can teach the rest of us. ■

'Coming to Iraq eliminates any chance of your life ever going back to what it was before'

sunlight. "There are no fridges and no curtains in the hospital. There are few beds for the patients and the ceiling is coming down in most rooms."

Dr. Ali Hameed, the hospital chief of staff, is a 29-year-old internist who lives at the hospital. He sleeps on a semi-enclosed mat on the floor of the "Resident's Room." Due to inflation, his salary is now the equivalent of \$2 a day, most of which he spends buying supplies for patients who cannot afford them. "I am doing this for humanity," he explains. "I have no such shades and anxiety. I never see my wife or my family. All of my medical books are more than 10 years old. I do not know whether our treatment is right anymore." He proudly displays his name tag and drapes his stethoscope around his neck, but he knows that he can do little more than offer hope and a place for children to die, or if they are lucky, get better and then go home.

Huskins: When we arrived at the hospital, Sam went inside to find the doctor. I stayed outside to brief Chantal and Raine,

We don't give you any bull.
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RRSPs 2001

IN YOUR BEST INTEREST



While retirement savings plan contribution limits haven't changed, other developments over the past year suggest that you should take a fresh look at your RRSP planning. Falling tax rates across the country make it more important than ever that you look at RRSPs as part of your total investment package; and you may want to review your holdings in light of higher foreign property limits. Moreover, new legislation makes same-sex partners the same as married couples for tax purposes, which opens up new financial planning opportunities like contributions to spousal plans.



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You should generally make a contribution if you can, even in a year in which your income is low, to take advantage of tax-free compounding. You can make the contribution based on the previous year's earned income and defer the deduction indefinitely, to a year when you are making more money, by completing a Schedule 7 with your tax return.

(MAKE THE MOST OF YOUR RRSP INVESTMENT PORTFOLIO)

Don't make an RRSP investment and forget about it until next year. You should monitor your portfolio's performance to make sure that it continues to meet your needs. Look at its performance against relevant indices or mutual funds with income and growth objectives similar to yours. If minimizing volatility is important, you will likely have a mix of different types of assets or at least different management styles in your equity fund holdings; if you use mutual funds. If you have individual stocks in a self-directed RRSP, check that you aren't too concentrated in any one company or industry.

If you haven't the time to keep on top of your investments, make sure you have an adviser who will keep you informed and recommend changes when appropriate. Alternatively, consider one of the wrap programs or fee-only accounts offered through mutual fund dealers, banks and investment dealers, particularly if you have the \$50,000 to \$100,000 minimum usually required. Examples include RBC Dominion Securities' Sovereign Investment Program, Scotia McLeod's Perseus Program and Sun Life's SunSmart Program, and Assante Asset Management Ltd.'s Artisan Program.

Wrap programs customize a portfolio to your specific objectives. Most plans require you to complete a detailed questionnaire designed to determine the level of risk you can tolerate and your expectations or objectives within a specific time frame. This information is used to create a suitable asset mix of fixed-income, equity and short-term investments.


An applicable portfolio is then created. Some plans use specific securities. Others use mutual funds or special pooled funds created for that program. Depending on the plan, these funds may have a single manager or a variety of managers, each with a different area of expertise or management style. Sponsors of wrap programs that use several managers often use the same asset consultants that pension fund trustees use to advise them on the hiring and firing of these advisers.

You won't pay any commissions when you buy or sell. You will, however, pay fees based on the value of your assets. Generally, these fees will not exceed 2.5 per cent and may be lower depending on the value of your assets.

Check out what is called discretionary management by using an investment consultant if you have accumulated \$500,000 or more in your RRSP. The cost savings will be significant. You will likely pay no more than one per cent of assets as a management fee. In addition, you will pay about one-quarter point to a custodian, usually a major bank, which is responsible for paying for and holding the investments on your behalf. Each of the major banks offers discretionary management as part of its private banking services. So do a number of the foreign bank subsidiaries. If you are happy about the current performance of your investments, find out if any of your fund managers offer a private wealth-management service. You may get a similar portfolio to your mutual funds. But your management fees will be cut in half.

**You should monitor
your portfolio's
performance to make
sure that it continues to
meet your needs**





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Financial and Life Management

MAKE THE MOST OF FOREIGN PROPERTY

It doesn't hurt to hold a portion of your retirement assets in markets other than Canada, especially since many of the world's stock markets have outperformed Canada's significantly over the past decade. Effective Jan. 1, 2001, the limit on foreign property in an RRSP is 30 per cent, based on the cost price of holdings in a plan. Your plan administrator should be able to tell you what your foreign property percentage is based on the prices your plan paid for its holdings. If not, you can establish a new base by shifting everything into a new plan. The 30 per cent foreign property limit applies to each of your RRSPs, not the total you have in all your plans. Consequently, if

It doesn't hurt to hold a portion of your retirement assets in markets other than Canada ...

foreign property is an important issue for you, try to keep all your RRSP assets in the same plan.

Many investors will increase their positions of winning funds, like the Trimark U.S. Companies Fund, which rose 34.5 per cent over the 12 months ending Nov. 30, 2000, to hold the maximum 30-per-cent foreign property.

You also have the option of buying a number of funds that are tied to foreign markets or fund portfolios but are 100-per-cent RRSP-eligible. These funds invest the vast majority of their assets in Government of Canada treasury bills, which puts them outside as far as the foreign property rules are concerned. They then invest the remainder of their assets in derivatives tied to foreign indices and individual foreign indices. These close funds, as they are called, usually have management expense ratios that are modestly higher than funds that invest

INDEX FUNDS MAY SUIT YOUR OBJECTIVES

For those investors who would rather choose a market than a fund manager, there is a broad range of RRSP-eligible index mutual funds and exchange-traded funds or index participation units available. Both invest in the same stocks that are part of a specific index in the same proportion as that index. Examples of such funds include Royal Canadian Index Fund, which is based on the Toronto Stock Exchange 300 Composite Index and the Scotia American Stock Market Index, which is eligible as foreign property for RRSPs and is based on the Standard & Poor's 500 Index. Index funds tend to have much lower management expense ratios than equity funds. Generally, index

fund MERs are less than one per cent, compared with equity funds, which average around 2.5 per cent.

Index funds are priced at the end of each trading session like every other mutual fund. Exchange-traded funds trade like stocks so their prices will vary throughout the day with changes in prices of the underlying companies. You can choose from dozens of U.S. exchange-traded funds for the foreign property portion of your RRSP. In Canada, you have a choice of two equity funds, the iGo or S&P/TSE Index Participation Fund, which mimics the S&P/TSE 50 Index, and the S&P Dow Jones Canada 40 Index Participation Fund. More are expected to be launched this year.

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directly in foreign markets. For instance, AIC American Advantage Fund, which can be held as foreign property in an RRSP, had a rate of return of 23.9 per cent over the 12 months before Nov. 30, 2000. AIC MSP American Advantage Fund, which is its 100 per cent RRSP-eligible clone fund, had a rate of return of 23.6 per cent over the same period.

You have a wide range of foreign funds from which to choose, from European and Japanese funds to those that invest in Latin America, China, India and emerging markets.

Performance varies widely and some funds have underperformed the Canadian market. The average Japanese fund declined substantially last year and has a long-term rate of return below what an investor would have earned holding GICs.

You should, of course, remember that you face some different risks when you invest outside of the major industrialized nations. In some countries, there are political risks such as the possibility of expropriation and many emerging markets have yet to develop securities legislation that gives investors the same level of protection they find in Canada or the United States.

SEGREGATED FUND COSTS RISING

Check out the costs of segregated funds if you hold them as RRSPs. Insurance regulators have been concerned that the insurance companies that issued the contracts under which the funds are held haven't set aside adequate reserves for claims against losses. As a result, management fees will be sharply higher than you compared with last. How

much they will rise depends largely on the type of fund, with money-market funds showing the smallest increases and equity funds the largest. But don't be surprised to see management fees for some equity funds rise at least a percentage point.

Many investors have used segregated funds for their RRSPs in recent years because the insurance companies that offered the plans guaranteed investors against loss – provided they held their positions for 10 years, or if they died prior to the expiry of the 10-year period and the value at the time of death was less than the purchase price.

By law, the minimum guarantee is 75 per cent of the amount invested. However, many companies offered funds with 100-per-cent guarantees. Moreover, they allowed investors to lock in gains under the guarantee by meeting the 10-year holding period. This was a great incentive for

investors to buy the funds, but it put the risk of a loss on the hands of the insurers.

If you own segregated funds or are considering them, make sure you have the most up-to-date information folders issued by each company. These describe in detail all the features that will be included in your contract should you buy. Look carefully at what guarantee levels the companies offer and what opportunities, if any, you will have to meet your maturity claim to lock in paper profits.

Because segregated funds are issued under insurance company contracts, they offer creditor protection. You must, however, name a family class beneficiary such as a spouse or child. This makes segregated funds especially popular with businesspeople who have to guarantee their business debts and with individuals in professions that do not allow incorporation. Other types of RRSPs are not creditor protected.



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Bus blast kills seven Serbs

Seven Serbs were killed and 43 injured when the bus they were riding in dove over a bomb near the Kosovo city of Podujevo, 40 km northeast of Pristina. The bus was part of a convoy carrying 250 Serbs, who, fearing ethnic Albanian attacks, were fleeing Kosovo, which is being protected by NATO troops. Ethnic Albanians have been fighting for independence for Kosovo, a province of Serbia, after suffering years of repression under former Yugoslav president Slobodan Milosevic.

Civilians piloted death sub

U.S. President George W. Bush has ordered a sweeping review of how naval military exercises are conducted. The move came after it was revealed that two civilians were at the controls of the USS *Guam* on Feb. 9 when the submarine surfaced and collided with the Japanese mining trawler *Elvise Maru*. The collision, 14 km off the Hawaiian coast, injured 26 students, and nine people are still missing.

Eros gets a visit from Earth

The U.S. space shuttle NEAR ended its five-year mission by landing on a 33.5-km-long asteroid named Eros, 315 million kilometres from Earth. NEAR, which is the size of a bus, had less than a one-per-cent chance of surviving the landing. It has provided scientists with more than 160,000 images of Eros.

Justice for murder victims

Colombian military officers Juan Carlos and Hernán Ochoa were sentenced to 40 and 30 months, respectively, in jail after being convicted of allowing guerrillas from the paramilitary group United Self-Defence Forces, to burn and decapitate 30 people in the southern village of Mapuripán. The incident occurred in 1997 during a military search for rebel sympathizers.

Another killer quake

A second earthquake hit El Salvador, killing 322 people and injuring nearly 2,000 as it demolished homes and schools. The quake, whose epicentre was 15 km from the capital, San Salvador, came one month to the day after the previous earthquake killed 844 people.

World Notes

Unity amid the violence

Like his Labour Party predecessor, Israeli Prime Minister Ariel Sharon has been unable to contain the almost daily violence that has badly undermined the Middle East peace process. In the latest outrage since the headline leader of the Likud Party was elected on Feb. 6, Palestinian bus driver Khalil Abu Obeid, who had passed a strict Israeli security check just two weeks earlier, plowed his bus through a crowd of countermeasures waiting at a stop in Aza, 3.2 km south of Tel Aviv. The attack left eight people dead—seven of them soldiers. Obeid then led police on a high-speed chase that ended with his capture. The hit-and-run assault brought the highest single-day Israeli death toll since the Palestinian uprising began five months ago and was the deadliest bus attack in three years. Obeid's attack followed the death a day earlier of Masoud Ayad, a member of Palestinian leader Yasser Arafat's elite security force, who was killed in a carefully planned Israeli helicopter attack in Gaza.

A Canadian diplomatic car was also hit by a single shot believed to have been fired by a Palestinian in an Israeli-controlled area of the West Bank. Only the driver, who was unharmed, was in the car, which had diplomatic license plates but no Canadian flag. To bring some stability to Israel, Sharon met with former prime minister Ehud Barak, who agreed to serve as defence minister in Sharon's cabinet and to bring his Labour Party into a national unity government with the Likud. The formation of a unity government would be a major victory for Sharon, who was elected on a campaign promise to do whatever it took to end the violence that has claimed almost 400 lives, mostly Palestinians, since it erupted on Sept. 28.



Obeid trapped in his bus, continuing violence

Yet another Clinton scandal

Federal prosecutors and U.S. congressional investigators have launched inquiries into former president Bill Clinton's decision to pardon fugitive financier Marc Rich. The 66-year-old multimillionaire fled to Switzerland 17 years ago. He is wanted by the justice department on fraud charges and for evading more than \$48 million (U.S.) in

taxes. Investigators want to determine if Clinton personally received any financial benefit from Rich. The financier's ex-wife, Denise, donated \$450,000 to the Clinton Library and more than \$1 million to the Democratic party. Clinton, who claims he followed the law in the matter, pardoned Rich on Jan. 20, just before leaving the White House.

Now that she and her husband have won Chapters, Heather Reisman must prove she can run it

THE BOOK LADY

By Katherine Mackinnon

As Heather Reisman sweeps through the offices of Indigo Books & Music Inc., she tidies. She closes closet doors left ajar. She straightens a pile of books here and rearranges a product display there. In the wake of her successful takeover bid for bookstore giant Chapters Inc., made jointly with her financier husband, Gerry Schwartz, Reisman has just resigned temporarily as CEO of Indigo, Chapters' much smaller superstar rival. In an hour, she will leave the premises, and under Competition Bureau guidelines, will not be permitted to return until it rules on the \$121-million deal. Lush bouquets of flowers from well-wishers sit on a cabinet in the entrance. Congratulatory e-mails and phone calls pour in from publishers and business associates from across the country—even one from the Prime Minister. Yet she still takes a moment to lean in and quietly say to a staffer seated at her desk—she says it nicely, mind you—"The place is a bit of a mess."

Reisman is her library: arguably the most powerful figure in publishing



Not really. The place, on Toronto's fancy King Street West, occupies two spacious floors of a converted warehouse. It is a newly open-concept workstation, interspersed with filing cabinets. The high, exposed ceilings and natural light give it an airy, fresh feel. Reisman's office is in the far corner, but this isn't the bank-tower exec version. It is modest in size, simple and careful in decor—and open, while a wall separates her from her assistant and the adjoining creative department, it doesn't reach to the ceiling, and at each end, there are no doors, only broad entrances that leave her wide open to a poke-your-head-in style of doing business.

Reisman is a self-confessed "clean nut," and as charming as she is, it seems she can't let go, even though she's about as loose and truly isn't in charge anymore. She's just won an intense two-month takeover battle and is set to take on the role of chief executive of Chapters Inc.—and with that, the mantle of control of books in Canada. Still, everything must be just so.

For Reisman, it's been a short, fast ride to the top shelf. From a standing start four years ago with the launch of Indigo, Reisman today is arguably the most powerful figure in publishing in Canada. Leave the field to bookselling, and

Reisman doesn't like it, but her glamorous lifestyle is very public—the house, the parties, the cars, the art on the walls

there (no discussion—she's it). With the *Chapters* saloons, Reisman and Schwartz are the controlling shareholders of a bookelling empire that includes 77 *Chapters* supermarkets and 231 *Coles* and *Smiths* stores. There's Toronto's quirky *World's Biggest Bookstore* (which it might even be, by number of sales, according to general manager Tim Kinley), *Pegasus Wholesale Inc.*, the struggling book wholesaler, and *Chapters Online Inc.*, a separate publicly traded company that Reisman is attempting to pull back under the *Chapters* Inc. umbrella. Plus, of course, *Indigo* and its string of 15 supermarkets.

Reisman likes to cast the collector of *Chapters* as a triumphant David-versus-Goliath story ("Indigo is a giant," she tells interviewers). But this was no small dingdong. The player buying up the *Chapters* shares in Trilogy Real Estate Enterprises LP, a new firm privately owned by Reisman and Schwartz (and named, says Reisman, for the sense that out of two companies will emerge a third, "better and stronger" entity). The pair are now indisputably Canada's most formidable business couple.

Schwartz, 59, the consummate deal-maker and takeover artist, is a powerhouse in corporate Canada, and his *Oxco Corp.*, which he has been running for two decades, specializes in picking up underperforming companies and transforming them into solid and steady profit-makers (page 48). Not content to play the charity-queer, wife-of-evil-Reisman-in-a-hands-on-operator role, with the backing of private investors, he built *Indigo* from scratch.

At 52, she has loads of energy; she is a passionate about books, she's focused and determined to be her vision of a "cultural department store" material-

Schwartz are among the most sought after in the city. They frequently host quasi-public functions at the house: book launches, fund-raisers for causes like world literacy, salon-style parties for visitors such as architect Frank Gehry or the Hollywood star that Schwartz hangs with.

Reisman is unhappy her lifestyle is part of the public record—the very glamour just goes against animosity, she says. "I'm a private person," she mutters. "Nobody has a right to know how I live my private life." But money already do, and there has been no shortage of coverage of the swank parties, the cars (the red Porsche, her Indigo-blue *Bentley*), the elegant gold-leaf armoire, the art on the walls (from *Auguste Renoir* to *A.Y. Jackson* to *Andy Warhol*), not to mention details of the extensive *Rosedale* renovations—buying up and tearing down a neighbouring million-dollar house to make way for an underground garage, a pool and a garden where 5,000 new tulip bulbs are planted each year.

From their book-lined study in that house, Reisman and Schwartz plotted their strategy to acquire control of *Indigo's* rival. Last winter, Reisman spotted trouble at *Chapters*. She knew from *Indigo* own opposition that online book sales were a money pit. *Pegasus*, the *Chapters*-owned wholesaler, was struggling. And in her opinion, *Chapters* had opened too many stores too close together. "I could see there were real vulnerabilities because they had grown so quickly," says Reisman. Last spring, Reisman and Schwartz decided to approach Larry Stevenson, *Chapters'* founding CEO, to make a friendly takeover offer. And even though Reisman was Stevenson's competitor and the one who would run the company, the couple agreed that Schwartz should make the call. Stevenson wouldn't be comfortable dealing with Reisman, she believed. "It's a very messy kind of guy," she says. "Why create an uncomfortable situation?"

Stevenson and Schwartz met three times in April and May of last year. Schwartz says he offered between \$18 and \$20 a share for 100 per cent of *Chapters'* stock—which would turn out to be a better offer than the final deal, \$17 for 70 per cent—but Stevenson held out for \$25. Stevenson says the \$25 was a bargaining position and Schwartz never gave him a final, firm offer. Says Schwartz of Stevenson: "He wasn't willing to consider it unless I paid what he wanted." There was no deal.

For Stevenson, the hostile bid, arriving on Nov. 28, was a surprise. Schwartz had made it clear earlier he wanted a friendly deal, Stevenson says. In Schwartz's estimation, the battle for Canada's bookelling business was not what he'd call a serious fight. "This was an easy one," he says. "They

made a tactical decision that gave us the deal." It went like this: Stevenson and his allies responded to the hostile bid by accepting a white-knight offer from electronics retailer Future Shop Ltd. of Burnaby, B.C., and then locked up their 30 per cent with that bid. "As soon as they did that, it gave us the opportunity to bid for the remaining 70 per cent, and to be bidding for all of the stock in an all-cash deal," Schwartz says. With the new Trilogy bid of \$17, the Stevenson group had only two choices, says Schwartz. They could say locked up, or they could get out of the lockup and tender to the Trilogy bid. "They put themselves into a box where each side out of the box led to Trilogy owning the company," he says.

The hard part has already. "It's going to take longer than we thought for Heather to get *Chapters* cleaned up," Schwartz warns. He readily admits that he was a critical force in the takeover. "I was totally involved because it's my money. This is what I do. This is what I get paid for." But he says it will be up to Reisman to make a good use of managing the bookstores. "It's happy to give some guidance from time to time," he says, "but this is Heather's show."

And it's showtime, all right. Reisman—gracious, elegant and confident—has landed in the spotlight at a time when the publishing industry is in shambles and the 6,000-employee category she now heads looks very shaky. Moreover, she has to face the skepticism of a business community that still sees her husband's achievements as far outweighing hers. "This is a big business," says David Perrone, former Liberal parlia-

Inside Indigo, in downtown Toronto: plans for a 'cultural department store'

of Ontario, formerly a close friend, and most recently her opponent as chairman of the *Chapters* board. "It's going to require a different set of skills than running a smaller company." He adds pointedly: "You can't go and do it every bookshelf."

And how her style will play with her new team is also a question mark. Says a former *Indigo* colleague: "No question she is a perfectionist—we would do things over and over again until it was absolutely to her liking." For a retailer, the colleague says, this is a positive attribute—"in retail, you've got to get it right, fine"—but the style would ruffle some feathers. "She was very decisive. She's a dynamo and her presence is felt wherever she goes," the colleague says. "So you get other executives with egos and temperaments you get a clash of egos."

Reisman did not set out to run a bookstore. A native of Montreal, she grew up in middle-class comfort as the daughter of a real-estate developer, Mark Reisman (and niece of economist Simon Reisman, who would serve as chief negotiator for the Canada-U.S. Free Trade Agreement). Her mother, Rose, owned a women's clothing store. Heather studied psychology at McGill University and married another maker; they had two children together, Auden, now 31, and Anthony, now 29. She became a social worker, but after the marriage ended, she moved into the business world. Following, starts in her brother Howard's computer firm and a management consulting firm, she opened her own company, Paradigm Consulting Inc., which she operated for 17 years. In the much-told story she



In 1998, during the Paradigm era: her experience later at Cull left her bitter

Liberal party. They are friends of ex-PM John Turner, too, and will be throwing an engagement party for his son, David, who is to marry Deirdre Hogan, *Indigo's* chief of marketing. The couple are also among the country's wealthiest citizens—they are estimated to be worth nearly \$800 million. They own a home in Palm Beach, Fla., and property in Bel Air, Calif. They summer in a retired 100-year-old Nantucket house and they live in Toronto in an exquisitely appointed *Rosedale* house. Intrusions from Reisman and

er Schwartz through her work. He was scouting out a company in Montreal, and while he decided early on he wouldn't buy the firm, he maintained a semblance of interest in order to check out Reisman. Schwartz, then living in Winnipeg, and Reisman eventually both moved to Toronto and married. He had two children from his first marriage, Cady, now 35, and Jill, now 33. Reisman continued consulting, but in 1992, she was enticed by a client, Gerry Proser, the masterful CEO of Côté Corp., to become president of the soft-drink bottling company. She was there for two years.

Proser, who died in 1998, was notoriously difficult to work for. Reisman says she and Proser agreed on an armistice but clashed in their operating styles. She decided early on to leave. "It was after all his company," she says. They agreed she'd make a well-planned departure at due time. But in the end, it wasn't on her body—as soon as Reisman left, Proser made Dave Nichol president, leaving the impression that Nichol (who could not be reached for comment last week) had bumped Reisman out of her job. Now, years later, Reisman is still bitter about Proser. "He left me out to dry. He didn't talk to reporters, he didn't do anything," Reisman says. "I couldn't believe that someone would do that. It had stayed on to help him with the transition and I was screwed, basically."

Reisman, demoralized by her Côté experience, spent months coming up for the next thing to do. "I had a couple of months where I was unbelievably disconnected from reality," she says. She fielded calls from friends, many offering jobs or career advice. She read *Fifth Topson*. She wrote about the way she needed to be in charge. She needed to be in something she was passionate about and that, in turn, had to be something that could grow to real size. And she needed to be making some sort of contribution. She started a rest kitchens, and launched a company called *Now! Foods*, that was to sell fresh, almost-prepared dishes.

Then, in late summer of 1995, she got the call to be the Canadian franchise investor for a big-bro bookstore chain, to be run by the U.S. bookseller Barnes Group Inc. The newcomer would have presented a powerful challenge to Chapters, which Stevenson had just launched. After a public outcry, including strong lobbying by Stevenson, Borders was turned down by the federal government. But Reisman was hooked. "I was 47. I just was ready to do it. I was starting to develop this idea about a cultural marketplace centered around books," she says. "It was everything I loved."

Indigo was launched with high hopes and big bucks. An



Stevenson at home: the hustle had come as a surprise after earlier talk of a friendly deal

she'd up to the job. "What they may not remember is that I ran a billion-dollar company, Côté," she shoots back. "Will there be challenges? Absolutely. I'm hugely respectful of those challenges."

She will have no shortage of those as she takes over where Stevenson left off. The overseas parent company launched the big bet concept in Canada by acquiring Coles and Smith Books to form Chapters. The idea, Stevenson says, was to create an inviting, but low-key environment—a cross between the family room and the study—holding between 100,000 and 150,000 titles. (Before Chapters, the average bookstore in Canada carried up to 10,000 titles.) From 1996 to 1998, he opened 50 new, super-sized bookstores, each seating acres of books. While there was much gauding of teeth over the demise of many independent bookstores, it was like manna from heaven for the publishing industry.

But the pace of new store openings slowed in 1999 and almost stopped in 2000, and publishers were slapped with a heavy dose of reality. Now, many complain they haven't been paid by Chapters in months and that massive numbers of books are being sent back. Schwartz says Chapters has not paid publishers in the past 45 days. A normal rate of returned books is between 25 and 30 per cent of gross sales, but in 2000, many publishers were returning close to 50 per cent back from Chapters, due mainly to the company overstocking its stores' shelves and a slowdown at Penguin. Confronted in a national book wholesalers' Pegasus booth, partly because other bookstores refused to buy from it and partly because it was poorly managed. Publishers fear that 2001 will be just as bad as 2000, and that this could push some Canadian publishers under. Says Ken McArthur, chairman of the Book and Periodical Council and president of McArthur & Co. Publishers Ltd. "In terms of returns, we all thought last year was a stand-alone horrifying year."

Some publishers regard Reisman as a potential savior. Even before locking up the Chapters deal, she made important promises to publishers by negotiating and signing a code of fair conduct—an agreement the Competition Bureau is studying closely and may adapt as part of an approval for the takeover. The code states that within three years, Indigo and Chapters will bring the level of returns down to 30 per cent of publishers' gross sales, reduce payment terms to 90 days from 120 to 150 days and cut back on deep discounting.

The promises have gone a long way to bringing publishers onside. They respect Reisman's business skills and are encouraged by her genuine interest in books and writers. When *Sor and the City* author Candace Bushnell was in Toronto, Reisman invited her to come for a coffee at an Indigo cafe, simply because she wanted to meet her. When former *Guns* Who and *Backman-Turner Overdrive* star Randy Bachman's autobiography, *Tales' Care of Business*, was released, she threw the launch party at the Indigo store in downtown Toronto and had him play. "Henceforth has already proven itself a superb venue," says McArthur. "For an industry that has been so battered as we have been in the last 18 months, the combination of her meeting ability and her declared plans have given us the first rays of hope we've had in a long time."

Assuming the Competition Bureau approves the takeover, Reisman plans to merge Chapters and Indigo. Chapters, she says, will negotiate with Indigo's special management commission on a prior to acquire her old company. She'll save on head-office spending, much of which she wants to put into raising and better salaries for salespeople. But for now, she is taking a wait-and-see attitude on further discussions. Possibly the new corporation will operate the two chains as separate brands. Probably between 10 and 15 months will be closed. Reisman wants to know what Chapters customers like about the store and intends to conduct extensive focus groups to find out. One thing that's 100 per cent sure—Reisman won't drop the Indigo name. She says it came out of those ideas she wanted to get across to inspire, inform and indulge. On top of that, Reisman and her people were listening to the just standard *How Indigo* as they discussed the name.

She doesn't expect to do many things very differently in her vastly enlarged empire. "The growth from 1,000 people to 6,000 is actually much less onerous than the growth from zero to 1,000," she says. She will still spend a lot of time in the stores, just less time in each of them, a decision on the months' march (such as "passion" for February and Valentine's Day) can easily be covered from 50 to 100 miles away, and she'll continue to be a hands-on CEO. "Do I have a point of view and do I get involved in all aspects of the business?" she asks. "I absolutely do. In order to make the overall experience special, you really do have to care about the little pieces."

Last week, Reisman and Schwartz left on a long-planned, five-day Caribbean cruise. By phone off Antigua, she allowed that taking control of Chapters is "both exhilarating and a little bit daunting." It will certainly be her biggest test.

With Kimberly Noble in Toronto

CHAPTERS' PROFITS

(in millions)



as we move forward," she predicts.

Indigo is not yet turning a profit, but Reisman says it will in the fiscal year beginning Feb. 1. On an operating basis, all but two stores are making money, she says. The battle between Indigo and Chapters here—Indigo would have been profitable a year earlier, she says, if Chapters had not been so aggressive. But Reisman doesn't appear worried by Indigo's financial state of affairs, which remains private information. "Our investors are very patient," she says.

What does go under her skin is the caping about whether

Reisman let Schwartz talk to Stevenson. 'He's a very macho guy. Why create an uncomfortable situation?'



■ Schwartz in his Toronto office: 'Everybody around here found it ironic'

CATCHING GERRY

\$2 billion in deals amid the book war

By Kimberley Noble

It's a hectic time at Gerry Schwartz's Toronto headquarters. Onex Corp. is pulling together a reasonably big deal. Not—as Bay Street's Gerry-watchers keep warning for—the deal of his life, colossal enough to make up for his failed attempts at buying Labatt or merging Air Canada and Canadian Airlines. But a pretty sizable realignment of the corporate landscape, nonetheless, even by the Gerry-watchers' lofty standards.

For a month or more, in he and wife Heather Reisman battled for control of Chapters Inc., Schwartz and two U.S. partners were quietly buying \$575 million worth of Loews Cinplex Entertainment Corp. debt from discouraged creditors. Today they're on the brink of taking over the 3,000-screen movie theatre chain, one of North America's largest. Hollywood exec producer Michael Douglas calls, he's in Toronto for the day and the two men agree to meet for lunch—in a fast-food place in Schwartz's office building, so he can dash back upstairs if there's a sudden development. "We're inches away," Schwartz says, holding up a thumb and forefinger.

He can afford to be patient. Not everyone likes Gerry Schwartz—his very success seems to grate on some Canadians. But to aficionados of his money-making skills, the Winnipeg-born lawyer-turned-founder is the best Canada has ever produced at the takeover game. He might lose one or two, but who cares? Everything else turns to gold. Or,

services provider. Celestica, Onex's subsidiaries tend to be companies few Canadians know—or care—much about. For example, deal up together during the Chapters takeover include the \$394-million acquisition of defense-electronics maker BAE Systems Canada Inc. by the Onex-controlled partnership Onexip, plus several smaller and even more complicated transactions.

Whether or not it satisfied the Gerry-watchers, Loews Cinplex will be different. For one, Onex is buying a company that general public understands. On top of that, this marks the first time Schwartz has taken a company out of bankruptcy. Finally, Schwartz—who normally mansions Onex's takeover and then delegates the operation to subordinates—plans to

play an active role. While his wife oversees the country's bookstores, Schwartz says he wants to help negotiate to avoid megadeals. Two of his younger executives will run Loews, but the Onex chairman and CEO will join their team. Says Schwartz: "I will be a super manager."

He looks forward to the challenge: "We can fix that company," he says of Loews Cinplex. "We can build the most important theatre exhibition company in the world." Beyond that, he says, he has few burning ambitions. As soon as they're old enough, he'd like to take his two grandchildren on a great international adventure. But first, he absolutely must go. It's time to run downtown and meet Michael Douglas for lunch. ■

COVER

Opinion: A former bookseller takes aim at the mega-deal

THE COLONY OF INDIGO

How is it that, after four decades of a diverse and flourishing literary culture in Canada with a healthy network of independent booksellers, the country is now a consumer colony for a single Toronto-based book-retail monopoly, Indigo Books and Music Inc.?

The unchecked aggrandizement of multinational publishing, distribution and retail corporations has led to a concentration of power in the hands of fewer and even more national individuals. But the terrifying implications of Indigo's domination of the distribution of cultural and intellectual materials in Canada pass largely unexamined, and one publisher even suggests that "it will subsume the Canadian book industry." Any outcry about disappearing local bookstores is seen as nothing but nostalgia.

Who now remembers the old wisdom about not putting all one's eggs in one basket? True, the Competition Bureau is investigating Indigo's takeover of Chapters Inc., but does anyone expect that, with such powerful friends in government, it will be overturned? Not likely. Jean Chrétien was among the first to phone and congratulate Indigo's Heather Reisman.

Heritage Canada has a program to support Canadian publishers, many of whom have been receiving tens of thousands of books in lieu of payment from Chapters for some time. No doubt there will be more desperate pleas from the publishers for assistance when, as I expect, it is discovered that Chapters is in much worse shape than anyone thought and the turnaround will take much longer. Ironically, nobody—neither Heritage Canada nor provincial or municipal governments—comes forward with offers of help to independent bookstores when they were desperate, although it is these independent bookstores whose passion and knowledge helped create the Canadian book industry.

The predatory practices so much in vogue nowadays were anathema to most independent booksellers. Chapters had no such qualms; for boss Larry Stevenson and his people, book-selling was a military campaign. Their take-no-prisoners business plan crushed many independents and secured market domination. But even with that, they continued to lose money in their stores, online operation and wholesale division.

There were early warnings about Reisman with her first foray into the book world, her attempt to bring Borden Group Inc., a large American retailer, into Canada. Fortunately, though, laws for the protection of Canadian culture are almost toothless. Industry Canada turned her down. So, in what was



seen in the trade as a bit of pique, she opened Indigo. At the time, people were just relieved to have some competition for Chapters.

Last month, the country briefly faced the truly horrifying prospect of a single national bookstore chain, "FutureShelf," taking Palm hand-helds and DVDs and books on the side. Now, without a whimper and with the usual "caution optimism," Canadians acquiesce to the colossal dominance of a corporation that hasn't so far been particularly successful and is clearly just as happy to sell shawls and champagne flutes as books. And because books will be the least profitable part of Reisman's "cultural department store," they may well get lost in her fictional worlds.

But maybe this will be good news for the remaining independent booksellers. For consumers, the competition between Chapters and Indigo has been a boon, but they may find that the sale is now over. With little competition, there is no reason for Indigo to continue to offer discounts. Furthermore, it is unlikely that readers will find regional alternatives well served by the chain's Toronto buyers.

When publishers must now walk on eggshells. Who dares to say anything negative about Indigo? It would be suicide. The possibilities of market censorship and market chill are real. (And if I ever write a book, I'll be sure to publish it under a pseudonym.)

We should have read Indigo's memo more carefully—"The world needs more Canada," a sentence that, apart from the awkward grammar, really means, now Canada has more Indigo and Indigo has more Canada. And, within a few years, "the world will have more Canada"—when the chain is sold, at a discount, to Borders or Barnes & Noble or Amazon.com.

Gilda Dushin was president of Vancouver's independent Double Book from 1984 to 1999. She now lives with her family on Golden Island in the Gulf of Georgia.

For consumers, the competition between Indigo and Chapters was a boon, but now the sale may be over



*O'Brien at the Royal York.
It's his life the kids growing up
and leaving the parents' home.*

The very last spike

By Robert Sheppard

Stand fast, Craigiebackie! Somewhere near that craggy mountain pass in British Columbia, where a last spike welded Canada together a century ago with a ribbon of steel, the ground is shifting. The railway corporate empire that began life as the Canadian Pacific Railway is about to leave this mortal coil. By the end of this year, if corporate planners get their way and the stock markets don't go kablooey, Canadian Pacific Ltd.—worth \$18 billion and growing again suddenly—will transfer itself from a growly behemoth into five separate companies, each with its own set of single-minded shareholders.

In Canadian corporate parlance, pension and mutual fund managers are usually licking their lips in anticipation of the whole being less than the sum of its parts. And so now, on the frozen Prairies a first is probably happening: a few lines of that ancient hymn to the Canadian Establishment. "What was the refrain again? Oh, yes, 'God damn the CPR'."

May it rest in peace. The plan unveiled last week at Toronto's Fairmont Royal York Hotel caught everyone's hot

by surprise. Corporate analysts have said for years that Calgary-based CP has been underperforming—it may even be ripe for a takeover—and to get the respect of the market it should spin off some of its core businesses. Few anticipated it would ditch all at once—oil and gas, hotels, rail, ships and coal—leaving nothing behind but the grin of the corporate cat.

Farewell, Canadian Pacific. Hello, five new companies.

"It's not as if you really only in the full that I started to seriously contemplate that this was the best solution," CP chairman and CEO David O'Brien told *Monocraft*. "One of the alternatives was to spin off [oil and gas production] Pacific Canadian. But I felt that if we did that, it would just be a slow dance and the market would come back and say, 'Well, spin something else off.' So I said, why don't we give them all a shot. It's a bit like the kids growing up and leaving the parents' home."

Some kids. The biggest by far is Calgary-based Park Canadian Petroleum Ltd. With \$7.2 billion in revenues, it is counted for nearly half of its parent's \$1.8-billion profit last year. Next in line is London-based CP Ships (80 container ships, \$3.9 billion in revenue), followed closely by venerable Canadian Pacific Railway with 22,000 km of track in Canada and the United States and revenues of \$3.5 billion. The babies are Toronto-based CP Hotels (30,000 rooms under management around the world, \$833 million in revenue) and Calgary's Fording Coal Ltd., the largest exporter of western coking coal, with \$836 million in sales last year.

Can they make it on their own? The markets seem to think so. CP's share price jumped 11 per cent on the announcement, closing the week at \$57.25, and some predict the stock will soar into the \$70 range by the time this deal is completed in the fall.

For former Montreider O'Brien, 59, who will give up the reins when the deal is done, this move brings full circle the history of a company that began with some of Monocraft's greatest corporate adventurers. For most of a hundred years, Canadian Pacific, with its many corporate offspring and wealth of historic railway lands, was Canada's most treasured. The CPR was both the promise that brought British Columbia into Confederation and the financing scandal that

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HEATHER BEAMAN
"Passion to Success"

TUESDAY - FEBRUARY 25, 2003

As the founder and CEO of Hedberg Books in Montreal, Heather launched Hedberg to the education and marketplace of a life-size passion for books and success, as a career choice based on understanding and building new age organizations. Always a driving force, Heather is achieving her goal of building Hedberg into the most visible retailer in the world of books across the country as she shares her dreams and passions and the story of how she has made them into a reality.



HEIDI BECKWITH
"Success and where you can take you"

THURSDAY - APRIL 3, 2003

Canadian Olympian World Tour Figure Skating Champion and seven time World Champion, Heidi knows how to set goals and how to achieve them. Throughout her career, Heidi has had to overcome obstacles and personal adversity and yet she has always found the determination to be a champion. Heidi has been recognized as an elite, a media commentator and a mentor.



MARGARET FARNSWORTH
"Succumbably Successful"

THURSDAY - JUNE 12, 2003

As President and Founder of The Body Shop Canada, Margaret Farnsworth is one of the most innovative and passionate entrepreneurs in Canada. She has effectively brought nature to the forefront of the public consciousness and has inspired countless groups and organizations come to work with her powerful and effective style. Margaret believes the formula for a successful business is to "be bold, be daring, be different, be crazy." Listen to Margaret as she expands on this formula for success.



BARBARA STELMACH
"Overcome adversity and build leadership"

WEDNESDAY - MAY 14, 2003

Barbara Stelmach, President and Chief Executive Officer of the Toronto Stock Exchange, is responsible for Canada's most significant exchange. Engaged in intense competitive challenges, one of the exclusive opportunities for the recognition of Canada's capital markets and a driving force behind the transition to a for-profit company, Barbara is not immune to change. Barbara will share her vision for solutions in the dynamic and competitive securities industry.



LORI KINSLER
"Leadership"

WEDNESDAY - MARCH 13, 2003

President and CEO of Labco Inc. is a well-known leader of leadership. Lori is a pioneer in Global "Business". Responsible for the business Canada Web development, Lori has more than 120 million page views per month. Lori provides vision and leadership in the constantly changing dot-com marketplace. Lori will share her vision on leadership in the new paradigm.



ELAINE ALI
"Leading to Success"

WEDNESDAY - MAY 7, 2003

Elaine Ali, President of Women's Success Forum, has more than 20 years experience in broadcasting. Winner of the 1987 YWCA Women of Distinction Award and named the 2000 CBC Women of the Year, Elaine's beliefs are grounded in community and strong family values and an evident in her approach to leadership. She will share her thoughts, experiences and insights on creating a unique and successful corporate culture.

brought down Sir John A. Macdonald's government. Once it crashed into high gear at the turn of the century, it opened the Canadian West to women of new immigrants, mineral wealth beyond mere people's wildest dreams and a refined sense of political grace that has been handed down through generations.

Now, CPB is graduating over the third and final rung of CP's demeritization. In the 1980s, the company shed at least seven subsidiaries, including the mining, company Corridor, Algonquin Steel and CP Art, precursor of now-defunct Canadian Artists' Orchestras. Then came a series of debilitating national strikes and bleeding profits when it came aboard in 1995. But he managed to get rid of Manthorpe Realty in 1996 and money-losing Laidlaw Inc., a waste hauler, in 1997. And to bulk up the remaining businesses with foreign acquisitions.

Where he was going with this he wasn't really sure, he admits now. But when the penny dropped last fall, the project moved along very quickly. Only three people knew the overall plan. The board was told "in conceptual terms" in December, the CEO of the major union just a week before the scheme was formally adopted on Feb. 12.

And what of the future? With Pan-Canadian a big enough—bigger even than Petro-Canada—it was a major oil-patch player, maybe even an acquisition. The board believed, which opened under the Delta and Farmington brands, the second-largest chain in the world, well-positioned in the luxury market. The others may have to scramble for their existence. Funding could well be added into a larger operation. CP Ships will likely use its shareholder base shift to international owners. CPB is a natural insurance target in the anticipated consolidation of North American railways, chairman Eben Canadian National chairman Paul Tiller has expressed an interest, should Ontario change its competition rules. If that happens, and given that the upstart hotel chain does not sell itself under the Canadian Pacific label anymore, there will not be much left of the married CP index. Second star, Crangfield, named, as Farnsworth George Dupont with his daughter cousin Donald Smith in 1984. Money is on the way. ■

INTERNET Shopping Guide

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The Heirs of Napster

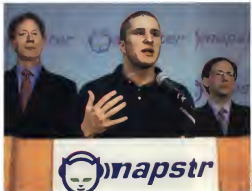
If the music-sharing site goes down, others are ready to move in

By Chris Wood

The expensive speakers in Matthew Hanes' Boston apartment fill the two-bedroom space with high-fidelity sound. A cable modem supplies a premium-priced, high-speed connection to the Internet. And as the administrator of a pension fund, the 28-year-old clearly can afford any music CD he chooses. Instead, for the last year or so, Hanes has fed his pricey speakers with music downloaded for free from the Net. By the time a U.S. court dismissed his work to put the Internet's leading music-download service—Napster Inc.—out of business, Hanes had collected more than 600 pirated music tracks. And while his expensive conspiracy at Napster's cloudy future, he doesn't expect the best of illicit downloads to follow. "I'll miss the little beast," Hanes says of his favorite pastime: "But you know, there'll be something else that pops up. There always is."

The question facing music lovers—as well as musicians, record companies and legislators—is what, exactly, that something will be. A ruling by a U.S. appeals court confirmed record company complaints that RealNetwork Corp.-based Napster "knowingly encourages and assists the infringement of plaintiffs' copyrights." Still, the bench spared Napster's existence, ordering a lower court to resolve an injunction against the company obliging it to remove copyrighted works from its service available for sharing—but not necessarily to shut down entirely.

Yet with Napster deeply wounded, its 50 million users will be looking for other ways to download their favorite MP3s at Best Buy Super stores. That may give conventional record labels a chance to win back consumers by unrolling legal digital music download services of their own. But the opportunity will not last. Unless the labels satisfy such-sure music lovers like Hanes more, more experts agree, a new generation of Napster-like services—dubbed "peer-to-peer,"



Focus: Backed by lawyer Jonathan Schiller (left) and CEO Hank Berry, Napster

or P2P—will extend the reach of consumer piracy to movies, e-books and computer games.

Daring those predictions is the knowledge that Napster—legal or not—has been an unequivocal hit with users since its creation by student Shawn Fanning, then 18, in 1999. There are two good reasons Napster is easy to use, and its virtual catalogue includes almost every pop song recorded in the last couple of decades. Users need little skill to download the software that lets them log on to the Napster network. Then they merely type a song title or artist's name onto their screen and click their mouse to fetch a menu of matching files, recorded in the MP3 music format, waiting on the computers of other Napster users logged on at the same time. Another click starts the track downloading to their own hard drive. And if they also own a portable MP3 player or a CD "burner"—which

most computers do—they can play the music anywhere.

Napster's possible demise has only heightened the passion for piracy. On the weekend just before the U.S. court ruling, an estimated 1.5 million fans were on the service at any given moment, according to Cambridge, Mass.-based Webcensus Research. Over two days, they downloaded about 250 million songs—close to 90 per cent of them believed to be copyright. So musicians and record companies, the cry of last summer's Napster trial, theoretically mount a 48-hour loss of about \$270 million. The court's ruling was a "clear victory," said Hilary Rosen, president of the Recording Industry Association of America, which brought the original suit against Napster.

But the victory is far from clear. Napster signalled its intention to fight on by unveiling a plan to modify MP3 files downloaded over its system so that some users—such as burning ones a CD—would be impossible unless users paid a fee. The fees, Napster said, would go in part to pay copyright holders. On the other hand, with Napster in trouble, more than a dozen major rivals have emerged to keep the highly popular cyber swap-meet going—for free. Some baby Napster services closely follow the original model. Others promise to extend the reach of file-sharing technology—perhaps beyond the long-term fate of future lawsuits. Several popular new file-sharing services, like BearShare and LimeWire, are based on the more evolved Gnutella P2P architecture. Where Napster relies on its own server to store lists of songs and make download connections between members, newer services disburse those tasks among the computers logged on. Songs go farther, rendering the digital exchanges still more anonymous. Several also let you search for files in formats other than MP3—including games, pictures and movies. (And parents beware: the file lists include copious amounts of porn.)

Enthusiasts claim Napster's more drastic offering will signal the inevitable death of conventional notions of copyright, the U.S. court notwithstanding. "The music industry may have won the battle," says Ian Clarke, a 24-year-old Boston whose freenet software allows anonymous file sharing. But it will lose the war against P2P systems such as his, he insists. "Forever—since it's completely decentralized—would be very difficult for them to shut down." Clarke agrees. Real programmer Vivian Fikes of West Palm Beach, Fla., creator of BearShare, believes programs to come will do far more and other digital files when Napster did for music. "Digital rights management will fail miserably," he says. "It is impossible to protect files from being copied or reused. Impossible."

That widdy hold view may prove premature. Microsoft and IBM are among the programming giants developing new ways to block wholesale copying. Meanwhile, a more effective deterrent may be the upstart's own shortcomings. So far, none delivers the ease of use or huge catalogue that Napster achieved. And downloading a movie can take days.

With Napster struggling and its rivals not ready for prime time, big entertainment companies have one last chance to avoid the obituary. Classic and Film Forum. Webcensus analyst Matt Bailey predicts that as many as half of Napster users will be put off by other services, at least initially. Surveys, meanwhile, indicate most Napster users would pay as much as \$15 (U.S.) a month for its service. To Bailey that gives music artists and labels an opportunity to march what Napster offers. "People were to go to one place, get all the music they like, and download it to their computers," says Bailey. "The future we see is a file subscription service."

But they will have to come soon. It is only a matter of time before one of Napster's clones emerges as a dominant force. The new wave of file-swapping could smother critical mass, says BearShare's Fikes. "It's in little as two or three months." Hardly enough time for Hanes to play through his existing collection of pirated music.

With Michael Sauter in Toronto

A DOWNLOADER'S GUIDE

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Fingerprinting Diamonds

Few businesses want to be associated with death and suffering. Just ask the Canadian fur industry, persecuted by animal-rights activists. But the trade in diamonds is also vulnerable. Gems known as "blood" or "conflict" diamonds are mined in such places as Angola and Sierra Leone, where the proceeds pay for weapons unleashed in ugly civil wars. So how can consumers be sure their diamond engagement ring is not a sign of blood on their hands? One way may be through diamond-fingerprinting technology developed by Toronto-based Gemprint Corp.

Gemprint makes a diamond scanner



Gemprint's scanner marking jewels

that employs low-intensity laser beams. A technician mounts the cut diamond in the device, and shines the laser through the gem. The refracted light creates a unique pattern of 80 to 80 dots on a light-sensitive screen. A computer digitizes the pattern, sending it by modem to Gemprint's centralized data bank. According to Gemprint, no two diamond patterns are alike.

Two diamond-carrying operations in Yellowknife use the system to finger-

print gems from the Ekati mine north-east of the city, Canada's first diamond mine. Once cut, the diamonds are fingerprinted and certified Canadian. Lost or stolen diamonds with a Gemprint profile can also be identified at any lab equipped with a scanner. The Yellowknife process is a model for how diamond producers around the world could help curb the flow of conflict gems by assuring consumers where their diamonds come from, says Jeff Dethier, chairman of Lewiston, N.Y.-based CVD Technologies Corp., a development firm with a major stake in Gemprint. "Canada," he says, "is in a position to be setting a world example."

A sound pen

If you see a guy talking to his shirt pocket, he may be carrying a Sennosung SVR-P220 digital recorder. The \$120 device resembles a beefy fountain pen, and records up to 138 minutes of sound. It will play back on its built-in speaker, through an earphone, or on separate speakers. Users can connect it to a PC to upload recordings, storing them as WAV files, which can be played by most sound applications. There's also a handy laser pointer.



Darryn Havelok

Cool Site

HAL lives

Computers and robots have long played starring roles in films, which in turn have shaped public attitudes. The University of Illinois at Urbana-Champaign sponsors a site on artificial intelligence in cinema, especially in sci-fi movies from the 1950s to the present. Analytical essays, photo displays and an impressive sound gallery can be found at www.english.uiowa.edu/cinema/ai.htm. Among the sounds are 14 clips of the titular HAL 9000 of 2001: A Space Odyssey "I'm afraid, Dave." In the movie, HAL was built in Urbana.

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By Brenda Brainerd in Montreal

A remorseful sounding Owen recalls the scene as "pretty scary." During a Feb. 3 National Hockey League game, the San Jose Sharks captain leveled an unsuspecting opponent with a forearm smash to his head. The blow knocked Grant Marshall's helmet forward and the Dallas player's exposed head struck the ice. For several minutes, he lay motionless before regaining consciousness. Scary, indeed—but his injury is hardly unusual in hockey. By the end of December, the NHL had already recorded 67 concussions this season. The Calgary Flames alone had 12. Recovering from a concussion is a frustrating sort of punishment for a fit athlete accustomed to playing with injuries. "You cannot work through a brain injury," says Dr. Kari Johnson, director of neuro-trauma at Montreal's McGill University Health Centre. An athlete can do so with pain, headache or other symptoms, she adds, "in a one step forward, two steps back situation."

Dinosaur Zubeus learned the hard way: The high-scoring

Montreal Canadiens forward missed 79 games after getting a knee in the head during a game before Christmas. Zubin, 22, knew he was not supposed to exercise, but he felt so good he felt better he missed about losing his conditioning. "I thought if it's a big mystery it wouldn't be that bad," says Zubin, but the headaches immediately returned. He went to see Johnstone, a neurosurgeon, who has examined many current and retired NHL players, among them Philadelphia Flyers center Eric Lindros, who suffered six concussions in a 27-month period. Typically, Johnson runs players through a two-day battery of tests that tap into the concussion research she is leading on other athletes. In an area with few scientific means to assess the injury, the McGill concussion project is exploring ways to evaluate damage to the brain. As it stands, most concussions among athletes go undiagnosed, she says, "mainly because you don't see any loss of consciousness to have a concussion. And that's a fairly new concept."

Blows to the head have complicated hockey career, in-

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cluding those of the New York Rangers' Mike Mearns and Anaheim Mighty Ducks star Paul Kariya, and ended many others. Before the current NHL season started, referees warned players they would enforce rules involving blows to the head. And in the case of the Feb. 1 incident, the league suspended Nolas for 11 games. It also supports an ongoing concussion study and set up a panel last fall that cracks and analyzes injuries.

In her hospital office, Johnson grabs a white plastic skull from her bookshelf to demonstrate what happens to a concussed brain. The soft tissue swells inside the skull and rebounds off the bone. "It's going back and forth in there like Jell-O," she says, "and it gets bruised as a result." But many aspects of concussions remain an enigma. Doctors do not know how to grade their severity or determine precisely when an injured athlete is fit to play again. Standard CAT scans and magnetic resonance imaging (MRI) are not effective in assessing concussions. "We don't know the pathology of the concussion," says Johnson. "I think it's on a much smaller molecular level than you would see on a scan."

Johnson and two neuropsychologists are studying different diagnostic tools to evaluate concussions. Traditionally, doctors focused on whether there was loss of consciousness. But the McGill research suggests more emphasis should be placed on post-concussion symptoms. One of the most promising aspects of their work involves measuring electrical activity in the brain. An athlete with electrodes placed on his scalp responds to visual cues on a computer. The brains of concussed athletes who are still experiencing symptoms show abnormal responses, but the researchers have found no correlation to the severity of the last concussion. "Even if they weren't knocked out," says Johnson, "their abnormalities may be greater than someone who was knocked out."

Follow-up testing has shown that an athlete's responses return to normal once his symptoms of concussion have disappeared. That finding is important, says Johnson, partly because it provides the first means of measuring recovery. In another part of the study, athletes perform memory, visual and verbal tasks on a laptop computer while an MRI shows pictures of their brains in action. Athletes who have had concussions frequently complain of specific types of short- and long-term memory problems. The test shows misatches if an area of the brain is apparently activated—the MRI will reflect an increased blood supply to that region. "This is the first sense that we can really measure something," says Johnson.

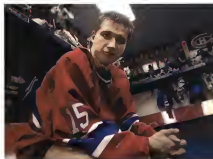
NHL players also undergo neuropsychological testing as part of the concussion study launched in 1996 by Dr. Chip Burke, the team physician for the Pittsburgh Penguins. A baseline test assesses such things as memory and concentration. When a player sustains a concussion, the results of new tests can be compared with the original findings. "When people have symp-

toms of concussions," says Burke, "the tests show abnormal results. But as their symptoms improve, their test results improve."

While Johnson thinks the NHL is on the right track in trying to standardize evaluation, she sees a major limitation in the neuropsych test. It is what is called the processed effect—people get better at the test each time they take it. She has examined athletes who sustain to baseline results on their neuropsych testing while they are still showing symptoms of their concussion and are "clearly not ready to return to play."

Some players and officials familiar with the NHL efforts find the league has taken the lead among professional sports when it comes to concussions. Others, including Lindor's

The testing of injured athletes provides new insight into evaluating concussions



Zdenek Chára, after three concussions, is now cleared to return

younger brother, Ben, who suffered a career-ending concussion in 1995, support some initiative but with reservations. "I don't think there has been anything landmark done by the league or the players' association," says Ben Lindor, "to attack this issue and get ahead of it."

The number of concussions has remained steady—a little above 100 a year—in the 4½ years that the league has been collecting data for Burke's study. While many head injuries result from open-ice hits, the injury analysis panel is also looking at other possible contributing factors. The ultra-sturdy elbow pads now in use may be one culprit. Another could be the seamless "glue"—actually an adhesive—used in many areas. It gives fans an unobstructed view of the game, but players find it less forgiving than the Plexiglas still in use in some rinks, and the boards that support

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the new glass are particularly rigid.

One more cause of concern is the larger use and, some argue, more boisterous behaviour of current players. "If you go back 20 or 30 years ago, you didn't see guys coming at the other guy's head with their elbows," says Dr. William Maceroux, team physician for the Calgary Flames. Some players pay little heed to safety, leaving their sticks too loose to keep their helmets on in a hit. The league, says Brett London, should enforce safe practices. "If guys don't tighten



their chin straps," he says. "They might as well not wear helmets."

Doctors agree that athletes should never return to their sport while still showing symptoms of a concussion. And even a rehabilitated player risks greater symptoms from subsequent hits, Johnson says. NHL officials stress she has examined would

Mexier takes a demerol hit in 1998—the brain scans inside the skull

head straight back out to play after getting concussed, then feel disoriented for hours. Some, she says, now have to deal with continuous headaches.

Still, the pressure to play remains part of the game. Zubrus returned to the Canadiens lineup on Feb. 6 feeling slightly off his pace. After three concussions, he concedes, "of course you're afraid to get another one." But it's not something he dwells on. "As a forward, I need to go into the corners," Zubrus says. "I need to battle." ■

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People

Case tastes success

Don't even think about trying to piggyback **Neko Case**—she's moving too fast. The American-born singer began playing in a punk rock band while earning a degree in fine arts at Vancouver's Emily Carr Institute of Art and Design. Switching to country music, she recorded two fine torch 'n' twang albums with her band the Heylids, including last year's critically acclaimed *Former Rose Ladely*. She also made a musical country album with singer Carolyn Mark, billing themselves as the *Coal Seam*, and an infectious power-pop record with Vancouver's New Pornographers, whose *Mass Romanticism* earned a Juno nomination this year for best alternative album. Along the way, the indefatigable Case, now based in Chicago, has garnered enviable coverage in *Rolling Stone*, *People* and *Esquire*, where she was featured in the "Women we love" section. "Life is good," admits the 30-year-old



Case: from pop to punk to torch and twang

Case. "A lot more people are coming to our shows and I'm getting to work with some great artists. The fast-track to fame, though, doesn't concern her. "We're doing it the pioneer way," says the coarsely touting Case. "With cash and a covered wagon."

Comic controversy

People have called John Callahan and his cartoons—which appear in publications across North America and polemic at disabled people, among others—depraved and tasteless. While some readers are initially offended by his humor, most change their tune when they discover Callahan is himself a quadriplegic. "That is really inconsistent logic," says Callahan, 50, a resident of Ontario, Ont., who was paralyzed after a drinking-and-driving accident 30 years ago. "It is absurd that you would have to go and get paralyzed to be paralyzed citizens."

His latest project is an animated TV series, *John Callahan's Quad*, in which the main character is a quadriplegic and a recovering alcoholic like Callahan. The show, which airs on Teletoon, makes light of and normalizes disabilities. "Everybody is afflicted with something," says Callahan, "whether it's hooks for hands or ADD or they wear Botox masks."

Next up is a movie based on his autobiography—*Dark Water: My Wild Get Far in First*—in which **Robin Williams** will play the cartoonist. The rights to this film were originally bought by actor **William Hurt**. "I think I earned him off somehow," jokes Callahan. "I asked him to not make a movie called *Children of a Lesser Quad*."



Callahan: Quad's top

The Adams—family doctor

Actor **Ewan Adams** has recently been chasing what he considers the ultimate role: a doctor. For the past five years, Adams, a *Case Sahel* from the Slamman band near Powell Street, B.C.—best known for his award-winning role in the 1998 film *Simple Sin*—has been juggling a film and TV career with medical studies. "Going to medical school is definitely a challenge," says Adams, 35, who is now in his last year at the University of Calgary. "I think that being a student is a lifelong process. It's important to always be hungry for new knowledge and experience."



Adams is picking up experience on camera as well—with appearances on *The View*, *Insider* and *Canada: A People's History*. He also hosts *Buffalo Truth*, a talk show on the Aboriginal Peoples Network. And this season, he has a role in the CBC drama *Three Acres of Mine*, where he plays the gay love interest of actor *Conrad Cooper's* character, Steven.

His success as an actor and his medical studies only on some careful juggling. "I don't sleep much and coffee has become an important part of my life," he says. "I can't even imagine not acting, though." As for the future, Adams says he might be able to play a doctor on-screen. "After all, I should be able to bring some credibility to it."

Adams: juggling acting career and med school

IN THE MOOD FOR ASIA

As *Crouching Tiger* squares off against *Gladiator* at the Oscars, Western audiences swoon over Far East fare

Brian D. Johnson

The prize is a statue of a naked man holding a sword between his legs, and this year the symbolism could not be more apt. With last week's announcement of the Oscar nominations, Hollywood's annual popularity contest comes down to an epic clash between two styles of swordplay—the heavy-metal brawls of *Gladiator*, which racked up 12 nominations, and the quieter-but martial arts of *Crouching Tiger, Hidden Dragon*, which was honored in 10 categories. There are, of course, other nominations for best picture, while last year's *Seven Years in Tibet* is competing against himself in director of *Tiger and Snow*, and *Minority* has again shown it can still anything by seducing the Academy of Motion Picture Arts and Sciences with its Kuchemirer valentine *Chocolat*. But when awards are handed out on March 25, the David-and-Goliath duel between *Gladiator* and *Crouching Tiger* promises to be the main event: a showdown between heroic brawn and feminine grace—and between the Old Hollywood and the Asian Invasion.



Nominations in both the foreign-language and best-picture categories, *Crouching Tiger* is a phenomenon. It has already grossed more than \$90 million at the North American box office, a record for a subtitled film. And the success of the movie, by Taiwan-born director Ang Lee, represents a blossoming of Asian film in the West—arguably the most exciting breakthrough for international cinema since the emergence of the European New Wave in the 1960s. Hong Kong's martial arts exports are already well-established, with director John Woo bringing flinty violence to Hollywood blockbusters (*Face/Off*, *MPH*), and kung fu star Jackie Chan downing his way into Western hearts (*Shanghai Noon*). But the latest wave of Asian film is marked by an elegance and contemplative beauty beyond anything North American audiences accustomed to. While *Crouching Tiger* is the most spectacular example, and worthy of all the acclaim, recently critics have fallen into a collective swoon over a much quieter picture called *In the Mood for Love*, an exquisite romance by Hong Kong

virtuoso Wong Kar-wai. The scenery—which has the lived-of chance relationship to art that the U.S. presidential elections have to democracy—somehow failed to mention. In *In the Mood for Love* for best foreign-language film. It also overlooked Taiwanese director Edward Yang's *Yi Yi*, a domestic epic of Tolstoyan depth that topped many North American critics' lists (it has not yet been released in Canada). But from its premiere in Cannes last May, *Crouching Tiger* has seduced audiences and critics alike.

While undeniably exotic to Western eyes, Ang Lee's film is not entirely foreign. The landscapes and costumes speak a universal language, the Taoist archaisms suggest a sublimity of *The Matrix*, and the adventure in the desert conjures up any number of classic westerns. In fact, there's been some controversy over the film's pedigree. A recent article in *Variety* reported that Asian audiences have dismissed *Crouching Tiger* as "kung-fu-fu." Citing such box-office rumors abroad, the story says the film "in a great wall in China, had no seal in Seoul and was ignored in Hong Kong." Apparently, *Crouching Tiger*'s leads, Chow Yun-fat and Michelle Yoh, sound awkward speaking Mandarin, and neither a fluent. Audiences reared on the kung fu genre find the notion of flying female warriors odd, but, and they are impatient with the picture's subtle pace.

Director Lee is the first to admit that he has made a fusion film, a hybrid of Asian action and his own *Sense and Sensibility*. In fact, *Crouching Tiger*'s main writer, American Janet Shterna, collaborated with Lee on *Sense and Sensibility* and *The Ice Storm*. But one of the reasons *Crouching Tiger* is so enchanting is that it transcends genre with a magic all its own. Lee has gone so far as to compare his movie to operating an American-Chinese restaurant, one that starts out by educating the Western diner with chop-uey before introducing more demanding delicacies.

In *In the Mood for Love* is a more acquired taste. It's a powerfully understated film of thwarted love, a romance underscored by action, sentiment or sex—and possibly the most dignified movie ever made about adultery. With snags and gesture, it conveys a kind of phantom eroticism, and a haunting sadness. The movie marks a departure for director Wong Kar-wai, whose previous work (*Chungking Express*, *Fallen Angels*) moves with the kinetic blur of music video. In the new film, the virtuosity of his composition is still extraordinary, but the pace is languid.

The story takes place in Hong Kong, 1962. A newspaper editor named Chow (Tony Leung) moves into an apartment next door to Li-shen (Maggie Cheung), a secretary at an ev-

erest firm. They are both married, but their partners are often away on business. And as Chow and Li-shen gradually become friends, they discover their spouses are having an affair. We never see the adulterers, just the backs of their heads. The story is devoted to the slow dance between the betrayed spouses as they inch toward a romance neither wants to acknowledge. Ships in the night, they pass each other in stairwells, or at the noodle shop. When they finally share a kiss, and a cub home, they get out separately. People might talk.

In *In the Mood for Love* is a drama of vision, a fabric of unspoken desire and missed opportunities. "That he looks good on you," Li-shen tells Chen in one scene. "You missed," he asks. "You notice things if you pay attention," she says. And that could be the code for the film. Wong asks you to pay attention, and to notice things. You notice how the venetian blinds in her otherwise drab office match her coffee cup, or how he gazes at the lipstick smudge on her discarded cigarette, or how red curtains blow along the canal hallway of a hotel where the lovers may or may not make love.

But most of all, you notice when Maggie Cheung is wearing. The drama's boldest strokes are conveyed through her repertoire of dresses, which change from scene to scene, moment to moment. Cheung goes through almost as many outfits as Erin Brockovich, without the cleavage. She wears mood patterns, floral prints, modest silks. But they're all the same cut—long, form-fitting and sleeved with a high Mandarin collar, each wrapping her body like a watercolor. The dresses mod-

ulate the story in a visual fashion, and the film's plot is fun in his own context. "She doesn't up like that to go out for noodles!" the landlady asks.

The music, moreover, plays the purred fabric, shifting between a mournful violin and a Spanish lullaby by Rio Kiki Cole. As in *Chungking Express*, which used California Dreamin' as a constant loop, Wong loves to bust a refrain to death. He flirts inescapably with the banal, in letting a closing linger on a clock face, or a telephone, long enough to make you wonder why the damn thing looks so lovely. As the characters try to connect, you find yourself arriving at backgrounds, hand walkways and acrid corners, looking for hidden meaning. "If someone had a secret," says Chow, "you know what they tried to do? They found a sex, carved a hole in it and whipped the secret into the hole. Then they covered the hole with mud and let the secret there forever." In *In the Mood for Love* whips in your ear and seals it with a kiss.



Living life, Cheung: With her subtle, the latest wave of Asian film is marked by an elegance and certain, often beauty rare in North American movies.



Scene from *Hansel & Gretel* made into about a dozen episodes

The Castle that spooked IMAX

The film is called *Hansel & Gretel*, and its release is shrouded in controversy. The 3-D computer-animated feature—about a sick man's journey by the dead, who wants to buy his soul—as it is open this week in 24 theaters across North America. But Toronto-based IMAX, the industry giant whose name is synonymous with the large-screen 3-D theater system it makes, has asked exhibitors to post warnings that the film is violent, if they decide to screen it at all. An IMAX system is required to get the full 3-D effects of *Hansel & Gretel*. "It's absolutely insane what IMAX did," argues *Hansel & Gretel*'s Belgian-based director Ben Sasse. "My film

is rated PG-13 by the Motion Picture Academy Association, and it's the only 3-D movie being released in 2001." But IMAX senior executive Mary Pat Ryan counters that IMAX customers "have been warned on family-friendly shows and they have an expectation of films associated with us." Ultimately, the decision is up to exhibitors, and most plan to show the movie. Famous Players spokeswoman Joanne Frost says her company will screen *Hansel & Gretel* in its IMAX venues. "We need product to show in our theaters, and we've always relied on the classification boards when telling the public what they can or cannot watch."

Shooting stars

Tony Mason says he is rarely intimidated by the challenge of taking a revealing picture of a performing artist. After all, he observes, compared with say, businessmen, the actors, musicians and dancers he loves to shoot tend to wear their vulnerabilities "more on the surface"—there for his camera to capture. But the 56-year-old photographer admits that sitting out to shoot the famously eccentric pianist Glenn Gould did make him nervous. "Everybody said to me, 'You can't shake his hand, he's very peculiar.' But I got to his studio and he shook our hand—no gloves,



Gould: "such a lovely, warm person"

nothing. He was such a lovely, warm person. Not crazy." His 1975 portrait of Gould is a highlight of a National Archives show of 52 photos of Canadian arts figures, from dancer Veronica Tennant to actor Brent Carver, taken by the Toronto-based photographer over three decades. The exhibition runs from Feb. 20 to April 13 at Ottawa's National Arts Centre.

Salvatore's dancers nearly melting

Pierre Perreault, one of Canada's top choreographers. With a moody, satirical sense by Bernard Chabrier and a subtly beautiful backdrop designed by Perreault, the piece drew a mixed response on opening night. A few people walked out. Most of those polite applause, while a minority mood and cheer. When it comes to exploring new territory, the National's audience is clearly a house divided.

John Buzzone

The cultured ape

Ever since 1758, when Carl Linnaeus shook religious orthodoxy by classifying people with higher primates, humanity's claim to uniqueness in the world has been eroding. Now, in *The Ape and the Snake Man* (Harpur-Collins), Frans de Waal takes aim at the concept's last prop: human alone love by culture rather than nature. De Waal, one of the world's leading primatologists, contends that apes do not rely on natural impulses alone for their social organization. Instead, they learn from watching their elders—as an apprentice sushi cook learns from watching his—and transmit learning from generation to generation. In short, apes have a culture, too. The implications of this concept are profound, argues de Waal, pointing to a natural rather than artificial origin for morality and casting the entire question of human evolution in a new light.



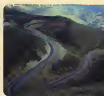
Best-Sellers

Fiction	LAST WEEK
1. THE GODFATHER PART II, Mario Puzo (D)	1
2. THE LAST THING HE SAW, Michael Crichton (T)	2
3. THE BLUE ANATOMY, Margaret Atwood (D)	3
4. THE BEST AMERICAN SHORT STORIES 1999, Various (A)	4
5. THE LAST THING HE SAW, Michael Crichton (T)	5
6. THE GODFATHER PART II, Mario Puzo (D)	6
7. THE GODFATHER PART II, Mario Puzo (D)	7
8. THE GODFATHER PART II, Mario Puzo (D)	8
9. THE GODFATHER PART II, Mario Puzo (D)	9
10. THE GODFATHER PART II, Mario Puzo (D)	10
11. THE GODFATHER PART II, Mario Puzo (D)	11
12. THE GODFATHER PART II, Mario Puzo (D)	12
13. THE GODFATHER PART II, Mario Puzo (D)	13
14. THE GODFATHER PART II, Mario Puzo (D)	14
15. THE GODFATHER PART II, Mario Puzo (D)	15
16. THE GODFATHER PART II, Mario Puzo (D)	16

1. The Godfather Part II, Mario Puzo (D)
Compiled by Brian Bales

DR. VANSTONE'S RESEARCH PROVES THAT SOMETIMES THE ROUNDABOUT WAY IS BETTER THAN THE STRAIGHT AND NARROW.

Ever been tempted to order a book, some software, or a CD over the Internet because it's quick and easy? Ever hesitated knowing that as soon as you enter your credit information and press the "submit" button — poof! — you're contributing vital personal information to the vast sea of cyberspace?



Fear no more. Thanks to Dr. Scott Vanstone's research in "wildlife cyber" cryptography (SEC), your information goes straight to where it's supposed to go. Dr. Vanstone and his team at the University of Waterloo, have taken information security one step ahead at the encryption system used to encode data in the 1970s.



In fact, this revolutionary technology is now used to secure the world's newest and smallest computing devices, and is quickly becoming a world standard. SEC not only ensures totally secure data transmissions, but does so much more quickly and economically than was possible in the past. This advance has allowed the militarization of cell phones and handheld computers, as well as electronic commerce for everything from shopping to stock trading.

This is just one of many university projects funded by NSERC (the Natural Sciences and Engineering Research Council). We're celebrating our world-class scientists and engineers who keep Canada in the forefront of research. Their work pays huge dividends with jobs, a higher standard of living, and economic prosperity. And, it might mean that the bottom line on your monthly credit card bill won't throw you a curve — any more than it normally does.



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Canada

INSPIRING IN PEOPLE, DISCOVERING AND INNOVATING

DANCE

Islands of joy

There's not a store or pair of jeans that isn't right. Instead, 30 dancers from the National Ballet of Canada wear baggy black suits and heavy armor shoes as they dance slowly about the stage of Toronto's Hummingbird Centre. They flow through one another's make like comets in a hurry. They race, separate, fling themselves off one another in a physics of motion. It's as if humanity



has been thrust into a microscope, revealing the basic structures of existence: brotherhood, friendship, confusion, islands of brief joy. The *Confession of Solitude* is a moving new work from Montreal's Josselyn



Allan Fotheringham

A lord in the dock

If you're going to choose a calling in life—a trade, a profession, whatever—you might as well try to be the best there is. So it was with Jeffrey Archer (Lord Archer), the greatest stylist of our time. A cad, a scoundrel. His biographer calls him "the most debauched politician in postwar British history".

The *New Yorker* has a colourful story about this colourful phony—a condensation of Margaret Thatcher and John Major—how eagles to go into detail about his wonderful career with a famous *Woman's* department store. The good lord would never forget it. His mind, no doubt, is fixed on the date of May 14, 1994, when he will walk into the Old Bailey, England's most famous courthouse, to face five counts of burglary, conspiracy to pervert the course of justice.

Archer used to advertise that his father, one William Archer, had been a colonel in His Majesty's forces and had received the Distinguished Conduct Medal in our first big war. But *The New Yorker* says the British Army has no record of him.

After winning a scholarship to a private school, young Jeffrey dropped out of the army and the London police force, and, under duress, went to San Francisco and, under duress, got into Oxford. One claim was that he had gone to the University of California and qualified as a Fellow of the International Fraternity of Physical Culture. Tamed out to be a London bodybuilder club.

A good speaker, he actually represented Britain in international matches. He got the *Reader's* vote. He pushed his way into the Oval Office to meet President London Johnson. At 29, he was a Conservative MP. And sold all his friends he would be prime minister one day.

In the early 1970s, he had borrowed heavily and invested in one of those wonderful Canadian penny stocks, *Aqueduct*, that was going to revolutionise the world with an anti-pollution glasslike for cars. It was where most *Taboo* penny stocks go, and Archer, armed with a bankruptcy notice by a creditor, had to resign from the House of Commons.

Nothing defines a boy sweet-endowed with champagne. He turned novelist (though he confessed he didn't know how to spell). One of his books in 1977 was about a plot to assassinate President Teddy Kennedy. More than 120 million copies of his novels sold worldwide and he became fabulously rich. Maggie Thatcher, with her equivalent lower-

class man, loved him. So did John Major who made him a peer, Baron Archer of Weston-super-Mare of Mark in the County of Somerset. He helped Princess Di raise money for her charities. He was made deputy chairman of the Conservative Party.

One day, however, the *News of the World*—known fondly on Fleet Street as the *News of the Screws*—ran one of its usual sensational Sunday morning headlines, explaining that *They* (about Jeffrey Archer, or Lord Archer, had purchased a house for 70 pounds, according to the tabloid *Daily Star*, which picked up the story) and later offered to pay her to leave the country. Our lad said the *Star* (or *Star*), explaining that on the night in question he in fact was dining with a male friend and others—the friend notified in court to not that truth. The jury agreed, and awarded him half a million pounds in damages from the tabloid—and the *Screws* gave him 50,000 pounds out of court.

Fast forward to late 1999, with his life penniless again, Lord Archer now as the Conservative candidate for mayor of London. Chump is never staked. In mid-campaign, the long-time "friend" who was his "dining mate" that fateful night confessed he was paid to fake the sale. Archer, for his subterfuge, was expelled from the Tory party. He is now 60. And due at the Old Bailey in May.

His *Taboo* experience in 1975 told us all we need to know. He started the old *Simpson's* store on Yonge Street, which was connected by a footbridge to Eaton's across Queen Street. Archer, future prime minister of Britain, was allegedly observed walking briskly from *Simpson's* to Eaton's with three suits over his arm.

Once he had crossed into Eaton's territory, some detectives asked what he was doing. He explained, quite plausibly of course, that he was just going to the third auction to select shirts that matched his three suits—total value in those days \$500. Only one problem. The area he was walking into was the ladies' department.

The police report declines Archer's statement that he was a friend of some significance and a Crown witness in an important fraud trial. The police checked that statement and found it to be, sort of, true. No charges were laid.

Now the millionaire lord may be going to jail. The tabloids can't wait.



By Michael Ondaatje

WHAT COLOUR IS YOUR CAT?



URINARY pH in a healthy adult cat should be neutral. A smaller number of cats benefit from a slightly more acidic urinary pH.



THEY MAY LOOK MISFIT, but naturally occurring struvite crystals (only 5000 in a cat's urine) are a risk factor for obstructing a cat's lower urinary tract.



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We're actually referring to the two strips of paper you see up to the right. They're pH test papers used to measure (liberal) urinary pH, which is something that relates directly to the health of your cat's urinary tract. So, which one could be your cat?

If your cat is like most, he or she benefits from a neutral urinary pH. That's a urinary pH level indicated by the light orange test paper up on the right. And that's where *New Petrol's Cat Chow Advanced Nutrition* comes in. It's formulated to help an adult cat maintain a neutral urinary pH. At the same time, it provides the complete nutrition and all the minerals and vitamins a cat needs.

A smaller number of cats benefit from a slightly more acidic urinary pH. They may be prone to the build-up of naturally occurring uric acid crystals, and a more acidic urine

can be beneficial. So that's what *New Petrol's Cat Chow Special Care* does. It's specially formulated to produce a lower, slightly more acidic urinary pH. That's the strip on the left.

A few other things can also help to keep your cat's urinary tract healthy.

Frequent exercise can help, especially during winter months when your cat may want to stay inside more. Drinking lots of water helps keep the plumbing working properly. So does encouraging your cat to "free feed" all day long rather than just eating at mealtimes.

If you'd like to know more about feline urinary tract health, we invite you to visit our website at www.petrol.ca

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